# Daily Report

# Latin America

FBIS-LAT-92-151
Wednesday
5 August 1992

# Daily Report
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FBIS-LAT-92-151 5 August 1992

CONTENTS

**NOTICE TO READERS:** An * indicates material not disseminated in electronic form.

**FRONT PAGE**

**INTERNATIONAL AFFAIRS**

Ibero-American People's Foundation Organized *[Madrid EFE]* ..... 2

**CARIBBEAN**

**Cuba**

U.S. Advisory Team Proposal on TV Marti Noted *[Havana Radio]* ..... 3
Minister on Plans To Produce, Export Alcohol *[Havana Radio]* ..... 3
Oil Workers Set 'Black Gold' Emulation Campaign *[Havana Radio]* ..... 3
Extraction of Nickel, Cobalt Noted in Holguin *[Havana Radio]* ..... 3
Use of Biological Pesticides Saves $16 Million *[Havana Radio]* ..... 3
People's Councils To Increase in Cienfuegos *[Havana TV]* ..... 3
Suharto Invites Castro to NAM Meeting in Sep *[Havana Radio]* ..... 4
Mexican Electricians Make Another Donation *[Havana Radio]* ..... 4
Martinique, Guadeloupe Donate Ton of Medicine *[Havana TV]* ..... 4

**Haiti**

Army Condemns Violence; Enlists Assistance *[Port-au-Prince Radio]* ..... 4
Senators Propose Summoning Bazin to Parliament *[Port-au-Prince Radio]* ..... 5
Pro-Aristide Delegation Travels to Venezuela *[Port-au-Prince Radio]* ..... 5
MNP-28 Vows Support to Government, Human Rights *[Port-au-Prince Radio]* ..... 5
Twelve Factories Reopen; 4,500 Jobs Restored *[Port-au-Prince Radio]* ..... 5

**Trinidad and Tobago**

Aristide Rules Out Military Intervention *[CANA]* ..... 5

**MEXICO**

Preliminary State Election Results Reported *[Mexico City TV]* ..... 6
Commerce Secretary Postpones Trip to Nicaragua *[NOTIMEX]* ..... 6

**CENTRAL AMERICA**

**El Salvador**

FMLN 'Security Committees' Control San Agustin *[San Salvador TV]* ..... 7

**Honduras**

Callejas on Banana Issue, Ibero-American Summit *[TIEMPO 3 Aug]* ..... 7
Callejas Cited on Strategies for Party Candidates *[Tegucigalpa TV]* ..... 8
Finance Minister on Foreign Exchange Regulations *[Tegucigalpa Radio]* ..... 8

**Nicaragua**

Chamorro on Ibero-American Summit Results *[Managua Radio]* ..... 9

Former Deputy Minister Ibarra 'Has Disappeared' *[Managua Radio]* ..... 10
Minister Issues Communique on Student Takeover *[Managua Radio]* ..... 10
University Students Campaign for More Funding *[Managua Radio]* ..... 11
Construction Ministry Strike Threatens To Spread *[Managua Radio]* ..... 11

**Panama**

Endara Calls Assembly to Special Session *[Panama City TV]* ..... 11
Endara Not To Attend Nonaligned Summit in Sep *[LA PRENSA 4 Aug]* ..... 11
Intelligence Head on 'Destabilization Actions' *[EL PANAMA AMERICA 3 Aug]* ..... 11
Prosecutor Seeks Indictment of Herrera, Others *[EL PANAMA AMERICA 4 Aug]* ..... 12
Guatemala Reportedly Suspends Asylum for Bernal *[LA PRENSA 4 Aug]* ..... 12
Judges Dismissed Due to 11 Jul 'Disturbances' *[Panama City Radio]* ..... 13

## SOUTH AMERICA

**Argentina**

President Returns From Rome, Meets Cabinet *[TELAM]* ..... 14
Resumption of Terrorist Attacks Ruled Out *[NOTICIAS ARGENTINAS]* ..... 14
More on Minister's Remarks *[BUENOS AIRES HERALD 1 Aug]* ..... 14
Federal Police Rejects Reports *[NOTICIAS ARGENTINAS]* ..... 14

**Brazil**

Junqueira Says No Evidence Involving Collor *[Brasilia Radio]* ..... 15
CPI Hears More Testimony on Unexplained Payments *[Rio de Janeiro TV]* ..... 15
Support Sought for CPI's Request for More Time *[O ESTADO DE SAO PAULO 3 Aug]* ..... 15
Collor's Relations With Allies, Infighting Viewed *[FOLHA DE SAO PAULO 2 Aug]* ..... 16
Bahia Governor Terms Situation 'Complicated' *[FOLHA DE SAO PAULO 2 Aug]* ..... 17
Brizola Clarifies Position on Collor Scandal *[Sao Paulo TV]* ..... 17
Brizola Support for Collor Harms PDT Candidates *[FOLHA DE SAO PAULO 2 Aug]* ..... 18
Presidency Workers Share 'Dissatisfaction' *[O ESTADO DE SAO PAULO 3 Aug]* ..... 18
* Legal Expert Views CPI Limits, Impeachment *[EXAME 22 Jul]* ..... 19
Deputy on CPI, Impeachment *[O ESTADO DE SAO PAULO 3 Aug]* ..... 21
* Latest Views of Cabinet Ministers on Scandal *[ISTOE SENHOR 22 Jul]* ..... 22
* Lula Views Scandal, Coalitions, Elections *[EXAME 8 Jul]* ..... 24
* Quercia Views Fiscal Reform, Franco, Candidacy *[EXAME 8 Jul]* ..... 27
Commentary on Replacement of Goldemberg *[Rio de Janeiro TV]* ..... 29

**Colombia**

De la Calle Named Presidential Designate *[Santa Fe de Bogota TV]* ..... 30
U.S. Overflights To Search for Escobar Endorsed *[Santa Fe de Bogota TV]* ..... 30
Escobar Refuge Reportedly Located *[Mexico City NOTIMEX]* ..... 30
Medellin Official on Escobar Contact *[Santa Fe de Bogota Radio]* ..... 31
End to U.S. Overflights Announced *[Santa Fe de Bogota TV]* ..... 32
Car Bomb in Medellin Shopping Center Injures 6 *[Santa Fe de Bogota TV]* ..... 32
Pablo Escobar Denies Responsibility *[Santa Fe de Bogota Radio]* ..... 32
Peace Adviser Calls Regional Talks 'Mistake' *[Santa Fe de Bogota TV]* ..... 33
Guerrillas Reportedly Trafficking in Gold, Drugs *[EL TIEMPO 31 Jul]* ..... 33
Electricity Rationing Reduced in Cities *[Santa Fe de Bogota TV]* ..... 33
Power Situation Improves in Atlantico *[Santa Fe de Bogota TV]* ..... 34
Inflation Rate Rises Over Past 7 Months *[Santa Fe de Bogota TV]* ..... 34
Presidential Adviser for Social Policy Resigns *[Santa Fe de Bogota TV]* ..... 34

**Ecuador**

Borja Approves Reform to Political Parties Law *[Quito Radio]* ..... 34
President-Elect Views Spain, U.S. Visits *[Quito Radio]* ..... 35
Reyes Torres Denies Drug Trafficking Charges *[Quito Radio]* ..... 35

**Paraguay**

Further on Debate on Authenticity of Constitution ..... 36
Paciello Minimizes Criticism *[HOY 4 Aug]* ..... 36
PLRA's Barboza Comments *[HOY 5 Aug]* ..... 36
Congress To Investigate *[HOY 5 Aug]* ..... 37
'Tight' Policies Mitigate Economic Crisis *[HOY 4 Aug]* ..... 37

**Peru**

De La Puente Closes 'National Dialogue' 3 Aug *[Lima TV]* ..... 38
De La Puente on Prospects for 4 Aug Dialogue *[Lima TV]* ..... 38
Parties Discuss Statement *[Lima TV]* ..... 39
De Cuellar Not To Mediate *[Lima TV]* ..... 39
Parties Issue Communique *[Lima Radio]* ..... 40
AP Rejects Participation *[Lima Radio]* ..... 40
Fujimori Tours Jungle, Meets Colombian Officers *[Hamburg DPA]* ..... 40
'Subversives' Kill Judge, Seven Others *[AFP]* ..... 41

**Uruguay**

Lacalle Comments on Ibero-American Summit *[Montevideo Radio]* ..... 41
Disagreement in FA Causes 'Triumvirate' To Form *[EL PAIS 26 Jul]* ..... 41

**Venezuela**

Demonstrators Protest Transportation Costs *[AFP]* ..... 42
Minister: No New Increases *[Caracas TV]* ..... 42
Police Investigate Attack by Colombian Guerrillas *[Caracas TV]* ..... 42
Ministers Confirm Joint Operations With Colombia *[Caracas TV]* ..... 42
President Greets National Guard on Anniversary *[Caracas TV]* ..... 43
Leader Says MBR Could Take Up Arms 'Again' *[AFP]* ..... 43

## Colombia

Santa Fe de Bogota TV reports that Congress has elected Government Minister Humberto de la Calle Lombana as the new presidential designate.

The Council of State on 4 August endorsed the government decision to request help from the United States to search for Escobar, reports Santa Fe de Bogota TV. The president of the council stated that "the government should have asked for their permission before staging the operation." NOTIMEX reports that the fleet of U. S. planes that participated in the search for drug trafficker Pablo Escobar "were able to locate the Medellin Cartel chief's refuge." According to the report the planes have returned to their bases in the United States because they fulfilled their objective. In another report Santa Fe de Bogota TV states that Foreign Minister Noemi Sanin has made a statement that for the time being there will be no more overflights of U. S. planes in Medellin and Envigado.

Santa Fe de Bogota TV reports that a car bomb has exploded downtown Medellin. The explosion left "six people injured, 12 vehicles destroyed, and several businesses damaged." Santa Fe de Bogota radio reports that Pablo Escobar has denied any responsibility in the car bomb attack A recording of Escobar's voice was heard reading a communique blaming the Rodriguez Orejuela brothers.

## Brazil

Brasilia radio reports that Attorney General Junqueira has stated that the federal police inquiry into PC Farias "has not produced any evidence of criminal activity involving President Collor." He stated further that "so far he does not have enough material to form an opinion."

FOLHA DE SAO PAULO reports that during a meeting scheduled between PDT congressmen and Governor Brizola, he will be told that his support for Collor harms PDT candidates for the October elections. The candidates "hope that Brizola will change his position after the meeting..." and "...will try to convince Brizola that the evidence to open the impeachment process is unquestionable."

O ESTADO DE SAO PAULO reports that all diplomats working at the Presidency of the Republic share former Press Secretary Rodrigues' dissatisfaction with his position in the government. "The Presidency's 23 diplomats and some of the military men who remain in the palace do not hide the fact that they are in a delicate position and that Collor is isolated."

## Peru

Lima TV reports that Council of Ministers President Oscar de la Puente will hold talks with those political parties "that go to his office on 4 August." Regarding those who choose not to attend, De la Puente said "those groups are turning their backs on history." "This will be the last chance for those who want to attend," he added. Former UN Secretary General Javier Perez de Cuellar "has denied that he might participate in mediation between the Peruvian Government and the opposition," Lima TV reports. Lima radio reports Popular Action "will not participate" in the dialogue with De la Puente "as long as the decision to hold municipal elections next year prevails." Lima radio reports "the main political parties that had representatives in parliament will not go to the office of Oscar de la Puente." Senator Alberto Gorea Oderia, reading a joint communique from parties, said President Fujimori's government "insisted on manipulating the dialogue" and it is the parties "duty to avoid endorsing the dictatorship." Those signing the communique include: Popular Action, American Popular Revolutionary Alliance, PPC, the political groups that form the United Left, the Socialist Left, and the Mariateguist Unified Party.

## Paraguay

HOY reports due to "'concern' among government and congressional sources because of the charges that have been pressed in connection with the handling of the text of the Constitution," Senate President Gustavo Diaz de Vivar summoned Congress today to hear his "report on the documents that the National Constituent Assembly placed under the legislative branch's custody, and to adopt the decisions deemed necessary."

## Ibero-American People's Foundation Organized

*PA3107134592 Madrid EFE in Spanish 1712 GMT 30 Jul 92*

[Text] Madrid, 30 Jul (EFE)—Eduardo Fernandez, president of the Christian Democratic International [IDC] and the Social Christian Party (COPEI) of Venezuela, and Jose Maria Aznar, president of the Popular Party [PP] in Spain, announced the creation of the Ibero-American People's Foundation [Fundacion Popular Iberoamericana] (FPI) during a news conference.

Costa Rican Miguel Angel Rodriguez, vice president of the Christian Democratic Organization of America for Central America, and Colombian Pedro Pablo Aguilar, secretary general of the Christian Democratic Organization of America, who were present at the constituent meeting, are also members of the FPI Board of Directors, Aznar reported.

Aznar, president of Spain's main opposition party, said he hoped this new organization will spread to all the Ibero-American nations. The organization will be co-chaired by Fernandez and Aznar and will be headquartered in Caracas and Madrid.

According to the document released during the news conference, the integration of political forces sharing the same criteria for the promotion of the historical, cultural, and political values forming the foundation of the Ibero-American community are some of the aspects that prompted the FPI's creation.

Aznar announced the FPI's first public event will take place in Madrid. Some Ibero-American political sessions will be held in November, and at the beginning of 1993 a meeting on Ibero-American political systems will be held in a not yet determined location in Latin America.

Eduardo Fernandez, president of the IDC and of COPEI in Venezuela, said the FPI "has embarked on a road where limits and frontiers must not be placed in the defense of essential concepts" such as "pluralistic democracy, human rights, and promotion of social justice on a local level and in the international community."

Other aspects highlighted by the Venezuelan politician were "economic development with social awareness, the dissemination of ecological values, and the improvement in the quality of life" for which, only "the sky" is the limit.

When questioned on the political situation in his country, Fernandez said the poverty stricken sectors had paid "a high price for an adjustment policy" due to the "difficult economic situation" and the middle class has been "severely" hit in the application of this policy.

The future Venezuelan presidential candidate added that there "is no threat to institutional stability due to the Venezuela people's democratic will, as they want more not less democracy," and in light "of the Armed Forces' attitude: total loyalty to the Constitution and to the democratic institutions."

Fernandez attributed the absence of his nation's president Carlos Andres Perez at the Second Ibero-American Summit—despite its significance—to a "problem of internal public opinion," as "he had abused trips abroad" and had disregarded the nation's internal problems.

Regarding the possible contradiction between PP's support toward the Cuban opposition and the invitation extended by Manuel Fraga—the party's founder—to Fidel Castro to visit Galicia, Aznar said that "someone has to tell Castro to free the political prisoners, to allow democracy and respect human rights, and I can certify that Fraga has told him this in public and in private."

Wilfried Martens, president of the European Popular Party and former Belgian prime minister, said the Latin American nations need an economic integration such as the EC's. To achieve this, however, he noted the nations must be competitive and it is necessary to establish a free trade zone complemented by a significant political drive.

## Cuba

### U.S. Advisory Team Proposal on TV Marti Noted

*FL0408003292 Havana Radio Rebelde Network in Spanish 2315 GMT 3 Aug 92*

[Text] Today, in Washington, an advisory commission to the U.S. Government proposed shutting down the anti-Cuban television station TV Marti. The commission argued that it was not an effective investment.

### Minister on Plans To Produce, Export Alcohol

*FL0408144992 Havana Radio Rebelde Network in Spanish 0900 GMT 4 Aug 92*

[Text] Sugar Industry Minister Juan Herrera Machado says that one of the main tasks the Sugar Industry Ministry [Minaz] has set for itself this year is improving the living conditions in the sugar refinery camps, in order to stabilize the work force.

[Begin Herrera recording] I am also talking about repairing the sugar workers' housing, about having the brigade leader, the head of the [word indistinct], make such decisions, decisions that have been practically forbidden up to now. I am talking about that specifically, but also about many other things, from improving the sugar refinery camp, improving (?the way it is supplied) ... [pauses] We must improve the services provided to the sugar refineries by other sugar refinery camp agencies. In short, all kinds of improvements in the sugar refinery camps are needed to reduce or eliminate, to at least reduce to normal levels, the frustration of the labor force in the sugar refinery camps. [end recording]

The minister said that other fronts will be worked on simultaneously, along with the harvest, which will lead to a threefold increase in the production of alcohol.

[Begin Herrera recording] The price of alcohol is climbing on the world market. It is calculated that alcohol consumption will triple in what remains of this century and that the first signs of a price increase are already visible. Alcohol has many uses; and we plan to begin building 15 distilleries in the country at the end of the year. We have 13 today, and are going to build 15 more next year. I repeat that this would almost triple current production. Logically, this means molasses, which we are already exporting. But it is better to export alcohol than to export molasses. And if we can export rum, better yet. Of course, we would keep a certain amount for local consumption. [end recording]

Herrera explained that even though the level of resources has dropped, Cuba will invest in the modernization of the refineries, basically to increase the influx of hard currency into the country.

### Oil Workers Set 'Black Gold' Emulation Campaign

*FL0308131892 Havana Radio Progreso Network in Spanish 1100 GMT 3 Aug 92*

[Text] The workers in our country in charge of extracting oil from the subsoil remain firm as regards their commitment to put 900,000 tons of that prized fuel at the disposal of the economy this year. At the same time, important work in drilling for oil is forecast. The national directorate of the Chemical, Mining, and Energy Industry Workers Trade Union has confirmed the intentions of the Cuban oil workers, calling the objective a tremendous effort on the part of sector workers. In support of their meeting that commitment, the sector union has established a special emulation campaign, which it has named "Black Gold." They also describe it as "900 Kilowatts."

### Extraction of Nickel, Cobalt Noted in Holguin

*FL0308192592 Havana Radio Rebelde Network in Spanish 1700 GMT 3 Aug 92*

[Text] Specialists at the Commandante Rene Ramos Latour Plant in Nicaro, Holguin Province, are obtaining small levels of production of high-purity nickel and cobalt. According to the experts, the process of extracting concentrated ore which is free from impurities will substantially improve Cuba's international market share.

### Use of Biological Pesticides Saves $16 Million

*FL0408184592 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Aug 92*

[Text] The use of certain types of bacteria, funguses, and insects as biological methods of pest control in non-cane agriculture saved the nation almost $16 million in 1991. This figure could double this year.

### People's Councils To Increase in Cienfuegos

*FL0308202492 Havana Cuba Vision Network in Spanish 0000 GMT 30 Jul 92*

[Text] Six new people's councils will be created in urban areas of Cienfuegos Province, the site of the national celebration of the 39th anniversary of the assault on the Moncada Barracks. The increase in the number of these institutions is supported by the experiences accumulated by the rural people's councils of Cienfuegos Province. So far, 45 councils have been formed here, which covers almost all the nonurban areas of the province. These groups have demonstrated their effectiveness as a part of the government at the grass-roots level. From the beginning, their usefulness in solving the communities' self-sufficiency problems, and thus avoiding the irrational transportation of products to these places, has been stressed.

First, they worked to achieve self-sufficiency in tubers and vegetables, and later in milk by building mini-dairy farms. Then, they joined the food production industry

and later, the production of high-demand items. Combining objective efforts and (?identities) are decisive factors in the operation of these councils. In each one, there are groups that cooperate with the main local entities and organizations. The rural people's councils have been implementing other initiatives designed to improve services, simplify the pro..dures for the public, and reduce the trips made by residents to provincial capitals in order to make various types of arrangemenis which can now be made locally. They are also working to improve restaurant menus and cultural, recreational, and sports activities. The participation of the masses has been essential in making all these goals a reality and has made it possible to solve many of the communities' everyday problems.

### Suharto Invites Castro to NAM Meeting in Sep

*FL0408133292 Havana Radio Rebelde Network in Spanish 1155 GMT 4 Aug 92*

[Text] Mr. Sudomo, Indonesia's coordinating minister for political affairs and security, arrived today at Jose Marti International Airport where he was greeted by Cuba's Vice Foreign Minister Giraldo Mazola. Mr. Sudomo is a special envoy of President Suharto who is sending an official invitation to Commander in Chief Fidel Castro to attend the 10th Nonaligned Movement [NAM] meeting to be held in Jakarta from 1 to 6 September. During his stay in Cuba, the distinguished guest will meet with Cuban officials, visit scientific institutions, and tour sites of cultural and historical interest.

### Mexican Electricians Make Another Donation

*FL0308191792 Havana Radio Rebelde Network in Spanish 1700 GMT 3 Aug 92*

[Text] Cuba is not alone. Millions of men from all over the world are confirming this. This time the workers of the Mexican electricians union have sent our country another donation of tools, protective devices, and work clothing and footwear. Here is Yosi Jimenez with the details.

[Jimenez] Jose Antonio Almazan, who is heading the group, explained that this is their third visit to Cuba, and that this time they have brought dielectric gloves, pliers, and safety belts that were donated by Mexican workers. Some decided to send the Cubans part of the set of equipment they normally get from their enterprises to replace devices that have already been in use for a certain amount of time, and they kept the old equipment, which can still be used because the devices are still in good condition.

The group which is visiting our country on this occasion paid for the trip from their wages, and according to their leaders they intend to continue making donations to Cuba. In addition, they issued an invitation to three of the best Cuban electricity workers to visit Mexico. The donation was distributed in Havana, Santa Clara, and Cienfuegos. The basic electricity organizations will take care of distributing it further.

### Martinique, Guadeloupe Donate Ton of Medicine

*FL0408014092 Havana Cuba Vision Network in Spanish 0000 GMT 4 Aug 92*

[Text] Today, representatives of the Guadeloupe and Martinique Friendship with Cuba Associations officially delivered to the Cuban Friendship with the Peoples Institute more than a ton of medicine. This was the last shipment that arrived on 1 August and basically contains antibiotics, analgesics, and anti-inflamatory drugs that will go directly to the Calixto Garcia Hospital in Havana.

This is part of a donation of 4,040 [as heard] tons of medicine sent to us by these Caribbean people during the first half of the year. It is estimated that the total donation has a value of approximately $600,000. The international organizations Pharmacies Without Borders and Doctors of the World also cooperated in this donation.

## Haiti

### Army Condemns Violence; Enlists Assistance

*FL0408164292 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 4 Aug 92*

[Press release issued by the Haitian Armed Forces in Port-au-Prince on 3 August]

[Excerpt] The Haitian Army has condemned the resurgence of violence against the military establishment and has called on the people to help it establish peace and safety in the country. The Haitian Armed Forces [FADH] says it forcefully condemns the recent acts of violence that have resumed in the country, causing deaths among the Haitian people.

In a press release dated 3 August, the FADH says it will always believe in the principles of freedom and human rights for everyone in the country regardless of political ideology. The Army, however, deplores these acts of violence. Not long ago, armed individuals shot at the Camp-Perrin outpost. Alleged students shot at a group of policemen who were providing security at the Faculty of Medicine in Port-au-Prince. These same students were forcing stall merchants at the Marche Salomom to participate in a demonstration they were holding.

An FADH soldier was attacked by an armed band while driving a motorcycle on the Ennery-Plaisance Road. Another group of people riddled an officer's car with bullets in Terre-Rouge, in the Mirebalais area, while that officer was entering his home in Croix-des-Bouquets [as heard]. Last week, some armed individuals shot at the Electricity of Haiti [EDH] premises in Bicentenaire, downtown Port-au-Prince. They killed one soldier and wounded an EDH engineer. Yesterday morning, another group of terrorists attacked the Thor outpost. One soldier died and two others were seriously wounded.

According to the FADH press release, this situation was a result of 'Operation Caesarian' which has been launched by a Pro-Aristide sector outside the country, to put an end to any vague desire to untangle the Haitian crisis. The Army says it is sorry to note that it is the military establishment that is undergoing all these provocations aimed at fragmenting the country's institutions. On that score, the FADH calls on all Haiti's true sons to support its efforts to establish peace, safety, and public order in the country. [passage omitted]

### Senators Propose Summoning Bazin to Parliament

*FL0408183692 Port-au-Prince Radio Tropic FM in French 1630 GMT 4 Aug 92*

[Text] Marc Bazin could eventually be summoned by the Senate of the Republic. A group of five senators presented, in a letter to the Upper Chamber, their request to Prime Minister Marc Louis Bazin. The five signatories propose Thursday, 6 August, as the date for holding the special session, which will focus on relations between the executive and the legislature; on nominations by Mr. Bazin; and on the increase in the monetary ceiling. The resumption of negotiations could also be addressed during this session.

### Pro-Aristide Delegation Travels to Venezuela

*FL0408184292 Port-au-Prince Radio Metropole in French 1300 GMT 4 Aug 92*

[Text] Seven members of a committee formed by deposed President Aristide left Port-au-Prince for Venezuela on the afternoon of 3 August. The delegation, designated by Jean-Bertrand Aristide to open negotiations for his return to the Presidency of Haiti, will meet with Venezuelan President Carlos Andres Perez. The Haitian delegation comprises seven members including its general coordinator, Father Antoine Adrien.

### MNP-28 Vows Support to Government, Human Rights

*FL0408170092 Port-au-Prince Radio Metropole in French 1400 GMT 4 Aug 92*

[Text] In a statement of principle adopted during an extraordinary meeting on 2 August, the National Patriotic Movement of 28 November [MNP-28] headed by Senator Dejean Belizaire reaffirms its support to the consensus government for its protection of the general public, especially its efforts toward removal of the embargo and all international sanctions; and for bolstering the national economy.

The MNP-28 commits itself to encouraging and supporting any initiatives on human rights, justice, and reinforcement of national institutions.

### Twelve Factories Reopen; 4,500 Jobs Restored

*FL0408174992 Port-au-Prince Radio Metropole in French 1400 GMT 4 Aug 92*

[Text] Commerce Minister Saedel Laine announced that 12 factories have resumed operations in the Industrial Park. According to the minister, a total of 4,500 jobs have been restored. He also said that the [company name indistinct] Industry [last word in English] holds exclusive rights for the importation of rice into the country.

## Trinidad and Tobago

### Aristide Rules Out Military Intervention

*FL0408202692 Bridgetown CANA in English 2001 GMT 4 Aug 92*

[Text] Port-of-Spain, Trinidad, Aug 4, CANA—Although it is nearly one year since the Haitian Army toppled President Jean-Bertrand Aristide from power, the exiled leader remains confident about returning as head of the impoverished Caribbean country. Aristide, while insisting it was only a matter of time before he was restored as the constitutional president of Haiti, still rules out military intervention for restoring democracy in his country.

"We will continue the non-violent way," THE EXPRESS newspaper on Tuesday [4 August] quoted Aristide as saying.

The deposed leader, who was toppled in a military coup in September last year, was in Trinidad for the emancipation holiday (Freedom Day) celebrated by Trinidadians and Tobagonians of African descent.

He added: "We are sure that in this way, democracy will be back. Ten months after the coup, the Haitian people are still fighting for democracy."

Aristide said sanctions imposed by the Organisation of American States (OAS) against the coup leaders in Haiti would not work until ships taking fuel to that country were stopped.

"It is not the kind of embargo we want and you will not see the embargo becoming an embargo until ships bringing petrol are turned back."

He stated that if the embargo were enforced as it should, Haiti would have already restored its democracy. He added that the OAS would have to defend its credibility and bring democracy to Haiti.

"If 34 countries in the OAS cannot bring back democracy to Haiti, that can mean that they are weaker than one Army general."

He added: "The OAS has to pass from statements to action. The resolutions are beautifully worded; it is the implementation that concerns us."

He said the coup leaders had not been able to bring about any political stability to the country.

"We are the only ones who can bring political stability to Haiti."

## Preliminary State Election Results Reported

*PA0308170792 Mexico City Canal 13 Television Network in Spanish 1300 GMT 3 Aug 92*

[Text] Elections held on 2 August in six Mexican states were, in general, civic-minded, tranquil, and fair, with only a few minor incidents.

A few hours after the polls closed in Durango, the Institutional Revolutionary Party, PRI, and the National Action Party, PAN, both claimed victory. Official partial results have not yet been announced.

In Aguascalientes, the State Electoral Commission said that PRI candidate Otto Granados Roldan is the virtual winner of the 2 August gubernatorial elections. Based on results from 225 voting tables, the commission reported that PRI had obtained 73.42 percent and PAN 17.4 percent. Ignacio Ruelas Olvera, president of the State Electoral Commission in Aguascalientes, said that based on the vote count for 34.4 percent of the voting tables, voter turnout in that state was 54 percent.

Four municipal presidents and members of the local congress were elected in Baja California. According to preliminary official results, PAN had a majority of the votes in Tijuana, Ensenada, and Tecate, while PRI won in Mexicali. Voter turnout in Baja California was high as more than 70 percent of registered voters went to the polls.

The PRI is the virtual winner of the Oaxaca elections by a margin of seven to one, according to the State Electoral Commission. From a total of 213 voting tables, which is equivalent to 7.1 percent of the 2,900 voting tables in that state, the PRI obtained 21,778 votes, PRD received 9,099, and PAN received 2,671.

Gubernatorial elections were also held peacefully in Veracruz, where turnout was over 50 percent. The electorate favored the PRI candidate, according to a report from the State Electoral Commission based on counts from 1,600 voting tables.

In Zacatecas, based on partial results from 226 of a total of 1,952 voting tables, the PRI is leading with 30,000 votes, followed by PAN with 7,286, and the PRD with 5,091 votes. According to our reporters, elections were held in an orderly fashion without incident and with broad citizen participation.

Final official results will be announced on 6 August.

## Commerce Secretary Postpones Trip to Nicaragua

*PA0408121392 Mexico City NOTIMEX in Spanish 0131 GMT 4 Aug 92*

[Text] Washington, 3 Aug (NOTIMEX)—Mexican Secretary of Commerce, Jaime Serra Puche has postponed his trip to Nicaragua. Official sources said on 3 August that he will remain here to attend the meeting of the Free Trade Agreement (TLC), instead of going to Nicaragua, where he was scheduled to sign the Central American Free Trade Agreement.

Serra Puche, Canadian Foreign Trade Minister Michael Wilson, and U.S. Trade Representative Clara Hills, are here discussing the final stages of the TLC. According to Mexican private sector sources, the three countries seemed determined to continue their meetings here until they reach an "agreement of principles" on all the topics of the treaty.

Serra Puche had planned to attend the signing of the free trade agreement between Mexico and Central America. The meeting was postponed, however. It will probably be held in Nicaragua 25 August.

The Mexican-Central American agreement seeks to eliminate the regional import barriers established in 1966. The meeting on the North American TLC was scheduled to end 4 August. It is believed, however, that it will continue all week. The textile and agricultural sectors were completed during this meeting. The negotiators from both sides are merely going over the two articles. The debates on the automobile sector are almost completed.

The ministers, their chief negotiators, and more than 100 advisers and specialists have reserved two floors of the Watergate Hotel. They have been working 12 hours daily, under strict security measures.

The 12-man Mexican advisory team, made up of congressmen, professionals, and businessmen has met twice with Serra Puche, on 2 August and 3 August.

The team is made up by Senator Netzahualcoyotl de la Vega; businessmen Nicolas Madahuar, Claudio X. Gonzalez, Jesus Ceballos, and Eduard Bours Costello; agricultural representatives, and the president of the National Farm Cattle Association.

## El Salvador

### FMLN 'Security Committees' Control San Agustin

*PA0408160992 San Salvador Canal Doce Television in Spanish 0300 GMT 4 Aug 92*

[Excerpt] The Farabundo Marti National Liberation Front [FMLN] has 39 security committees in various parts of the country made up of 195 fighters. In San Agustin, Usulutan Department, public security is in the hands of the National Army for Democracy [END].

San Agustin, a coffee-producing town located 98 km east of San Salvador in Usulutan Department, is now completely under FMLN control through its END members. The so-called Public Security Headquarters in the town center is directed by a civilian who coordinates public order matters with END fighters who have not yet demobilized or settled in the established areas. It was explained that this is being done by virtue of an agreement between the UN Observers for El Salvador, the community, and the FMLN.

The streets and outlying areas are patrolled daily. This security committee is the result of a lack of authority in the area, where the rate of common crime remains high.

[Begin recording] [Unidentified security committee member] We have control over the entire San Agustin area. We exercise surveillance or security and carry out patrols at night and sometimes during the day. When we are notified of an incident, we also provide support.

[Unidentified reporter] How about other cases?

[Committee member] Yes. In the past month we were given an arrest warrant for a man accused of rape, and we made the arrest. [end recording] [passage omitted]

## Honduras

### Callejas on Banana Issue, Ibero-American Summit

*PA0508025992 San Pedro Sula TIEMPO in Spanish 3 Aug 92 p 2*

[Text] Tegucigalpa—President Rafael Leonardo Callejas Romero stated on the afternoon of 2 August that Latin American countries are searching for mechanisms to avoid the imposition of quotas and customs tariffs by the European Community (EC) member countries on banana exports to the European continent.

After a 14-day absence, Callejas Romero and his wife, Norma Regina Gabirot de Callejas, returned on 2 August to Honduras from Spain and Italy. President Callejas participated in the Ibero-American Summit in Madrid. He also had important meetings with several European country officials.

Upon his arrival at Toncontin International Airport, President Callejas was met by representatives of the three government branches, relatives, as well as personal friends.

The president explained that an EC commission had made a proposal called the "green paper" recommending the imposition of a quota and customs tariff system. The Central American and Latin American banana producers are trying to prevent this proposal from passing.

He added that there is very clear opposition by some European countries to the document. The United Kingdom and Italy pointed out that they plan to present alternatives that will not affect Latin American interests, in addition to protecting the interests of the former colonies of Africa, the Pacific, and the Caribbean (ACP).

Callejas pointed out that the presidents of the isthmus, and the Colombian foreign minister had met with Spanish Prime Minister Felipe Gonzalez to bring up the problems they are confronting with the EC nations.

According to President Callejas, "Felipe Gonzalez stated very clearly that, although there is a contradiction between Spanish policies and what we aim for, he is willing to consider those alternatives that will benefit the expansion and access of banana products to the Euroepan market."

In addition, Callejas indicated that a Latin American economic ministers' meeting is scheduled to take place in Colombia during the second week of August to formulate concrete alternatives to be presented either through Spain as an intermediary or directly to the EC.

Callejas Romero said that the European nations have approved no decree called the "green paper", and that what is currently under discussion by an EC commission is merely a document.

He also indicated that the United Kingdom, Italy, Luxembourg, and Germany support the banana free trade position, but it will be next month when the EC resolution first is made public.

The Honduran president emphasized that the Latin American effort is intended to prevent approval of the resolution by the EC commission, and get the European countries to adopt an understanding position.

He also said that the votes supporting the position of the Latin American nations are sufficient to establish, in principle, the position known as the "Rome Agreement" which gave rise to the guidelines on banana trade currently in use in Europe. This position would represent the "status quo" of those countries opposed to the so-called "green paper" decree.

"With moderate optimism, I believe the banana situation will be solved in a more favorable manner than what has been set forth in the document", Callejas pointed out.

He continued by expressing that the EC will make a decision that will satisfy positively the expectations of the banana producing countries of the ACP and Latin America by adopting a "Solomonic" solution, or a decision positive to free market.

In addition, President Callejas announced that during his stay in Italy he had spoken to President Fernando Collor de Mello about the Honduran debt with Brazil. They also discussed issues related to Honduran participation in the UN Security Council.

Callejas also met with Chilean President Patricio Aylwin with the intention of strenghtening ties between both countries, especially in the areas of trade and forestry.

**The Summit**

The president said important agreements for Latin American nations were reached at the Ibero-American Summit held in Spain, such as the search for the support of democratic governments in Ibero-American countries and the unity that can allow for a greater political presence in the world.

The participants also sought agreements on integration and free trade zones.

Rafael Leonardo Callejas said one of the most important agreements in the area of education is the promotion of various educational programs in several areas, especially a satellite-transmitted program aimed at teaching students to read and write.

Callejas said cooperation agreements were reached, which demonstrates the solidarity, the joint effort, and the understanding that exist among the countries of the old continent with the purpose of achieving a greater rapprochement and provide greater opportunities for Central American nations.

## Callejas Cited on Strategies for Party Candidates

*PA0508023892 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 4 Aug 92*

[Report by Marvin Lopez]

[Text] On 3 August, Oswaldo Ramos Soto, National Party of Honduras [NPH] presidential candidate, and President Rafael Leonardo Callejas, who just returned from Europe, held a meeting and ratified party unity.

[Begin Callejas recording] It is in the party's best interest to have unity. I believe the decisions have been correct and appropriate. The NPH favors a single and united candidacy and party members have to endorse and promote their candidate. The party strategy has to be implemented—there is enough time to do this—to propitiate and strengthen the positive aspects of the government and counter the negative ones. We also have to look for the weak spots of our adversaries. We have to have a fighting strategy geared to the upcoming electoral process. We have time but all this is very complicated. The NPH must make internal decisions. It also has to make decisions on national issues such as the electoral process. All party decisions must be made with the country's best interests in mind. [end recording]

[Lopez] Callejas insistently said that after managing to reconcile the leaders of the majority groups within the NPH, what follows is the choice of candidates for popular election. We should not speak of the Monarcas [Callejas National Recovery Movement—an NPH faction] or the Oswaldista Movement, instead the NPH as a solution to the electorate that will guarantee a new victory. Even though Callejas gave assurances that he will not interfere in his party's internal affairs, he added that if the candidate asks for his assistance he will give it.

[Begin Callejas recording] Choosing party cadres or the party's internal affairs depends entirely on the candidate. If he believes my experiences will benefit him, I will gladly share them with him. Each candidate, however, is a totally independent person, with a unique personality, character, and with his very own circumstances. Therefore it must be he who defines his strategy, his publicity, his behavior, and his relationship with other organizations and parties. What I wish to say is that when a presidential candidate emerges, it is up to him to decide political strategies and party cadres. [end recording]

[Lopez] Meetings with the candidate are nothing new. Talks have been held once a week during the prayer groups or breakfasts, therefore talks like this evening's should not be a surprise.

[Begin Callejas recording] Mechanisms for approach must be built at the local committee level, department committee level, at convention level, and among deputy and mayor cadres. Tough work lies ahead for the party leaders of these two movements, who jointly have decided to back the presidential candidacy of lawyer Jose Oswaldo Ramos Soto. [end recording]

## Finance Minister on Foreign Exchange Regulations

*PA0308184692 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 3 Aug 92*

[Text] The executive branch, through the Finance and Public Credit Ministry, has submitted a bill to the National Congress to change the regulations on foreign exchange houses in our country. Although only one or two of these establishments are currently operating here in Tegucigalpa, the Finance and Public Credit Ministry has already sent the bill to Congress. We asked Finance Minister Benjamin Villanueva to explain the purpose of the measure.

[Begin recording] [Villanueva] We want to expand the foreign exchange market. The original idea was to prevent any foreign exchange house from monopolizing that activity, and therefore no branch offices were authorized. We believe, however, that it is no longer a valid concern with the liberalization of the foreign exchange market. All banks can operate as foreign exchange

houses. Therefore, anyone who wants to have more than one foreign exchange house can open branch offices in San Pedro Sula, Tegucigalpa, Choluteca, Progreso, and Tela. That is the purpose of the bill. We believe the prohibition on branch offices is no longer valid. Although there are relatively few foreign exchange houses, investors may be interested in opening branch offices in other parts of the country, which would result in better service to the public.

[Unidentified reporter] Now that more than a month has passed since the Central Bank of Honduras board of directors liberalized the dollar exchange rate in our country, what effect has there been on the parallel market and the national banking system?

[Villanueva] You must keep in mind that when prices are liberalized, there are always some adjustments in the first weeks. We would have to evaluate the country's overall situation to determine the possible trends. As long as Honduran liquid reserves remain at favorable levels, we see no reason for any pressure on the exchange rate. In addition, as long as Honduras maintains control over the fiscal deficit—in other words, over the government's general expenses—we see no reason for any pressure on the exchange rate. The two main factors are under control, and that is what we must take into consideration. The market's daily behavior is not the best indicator. The best indicators would be the main factors affecting the foreign exchange market. Those factors are basically related to the country's reserves and the fiscal deficit, which are under control. The fiscal deficit is currently under control, which means that there is no pressure toward more devaluations or an inflation hike. Inflation is under control, which means that the devaluation is also under control. [end recording]

## Nicaragua

### Chamorro on Ibero-American Summit Results

*PA0408160492 Managua Radio Nicaragua Network in Spanish 2330 GMT 3 Aug 92*

[Speech by President Violeta Barrios de Chamorro in Managua; date not given—live or recorded]

[Text] Dear Nicaraguans, I am happy to be back in Nicaragua after 12 days of productive work for the homeland. I attended the Second Ibero-American Summit in Madrid, Spain, and it was dedicated to education, culture, cooperation, and development. In Spain I attended the inauguration of the Olympics in Barcelona and visited the Nicaraguan pavilion at the World's Fair in Seville. I later traveled to the United States of America, where Central American presidents met with the governors of the southern states in Charlottesville, Virginia. I also set aside some time to personally check—there and in Washington—the status of the aid that the United States offered us and that is still pending.

Referring to the Second Ibero-American Summit, the heads of state and government who gathered there agreed to carry out important projects dealing with education, including education television via satellite, education programs, and post-graduate scholarships for our students. In the social sector, the Indian Fund was created to benefit Latin American Indian communities and implement projects that will provide social security in Ibero-American countries and investment programs for ecology and health.

In the culture sector, we agreed to create the Association of National Ibero-American Libraries. This will allow the exchange of information between the Ibero-American countries' national libraries. We will also sponsor the Association of Ibero-American Businessmen and the Association of Ibero-American Professionals.

The forum also analyzed the possibility of achieving a united Ibero-America based on democracy, respect for human rights, and free trade economies. During my visit, I talked with high-ranking Spanish officials and politicians: King Juan Carlos of Spain, Prime Minister Felipe Gonzalez, and all the Latin American presidents—including Carlos Salinas de Gortari, president of Mexico; Carlos Menem, president of Argentina; Patricio Aylwin, president of Chile; and other fellow presidents. I deplored the absence of my good friends Carlos Andres Perez, president of Venezuela; and Cesar Gaviria, president of Colombia. We also condemned the latest terrorist actions carried out in Peru.

Taking advantage of our visit to Spain, the Central American presidents met with Prime Minister Felipe Gonzalez to discuss the banana marketing problem in an effort to get better treatment and benefits for countries in the region. Later on I traveled to the city of Charlottesville, Virginia, to attend the Central American presidents' meeting with governors of 19 southern states. In this important meeting we talked about ways to increase relations between our two regions, particularly in the areas of trade and investment, for our mutual benefit, to increase our trade, and to review the possibility of U.S. investment in our Central American countries. It was extremely important for them to hear that the new Central America lives in peace, enjoys democracy, and struggles for a healthy economy with clear rules, so investors can come here and create the jobs we all want.

I managed to establish a personal friendship with the governors of Virginia, North Carolina, Mississippi, Florida, South Carolina, West Virginia, and many others. They all stated their keen interest in sponsoring trade with Nicaragua—even of visiting our country to get to know it better. I am sure the meeting will result in many good things. Our products will have more markets, our businessmen and farmers will be able to find partners willing to invest in their enterprises and farms, and those investments will be good for everyone.

Finally, I went to Washington on 29 July to visit Marco Clementino, my grandson. Doctors discovered about 10

months ago that he had a life-threatening illness. Thanks to God and the advances of medical science, he has been saved. Today he is full of vitality and is attending school regularly.

I had a routine medical checkup at Georgetown Hospital in Washington, and the doctors said I am in very good health.

While in Washington I also joined my foreign and presidency ministers in efforts to unblock the aid the United States offered Nicaragua for 1992.

I personally met with Republican Senators Richard Lugar and Nancy Kassebaum, important members of the U.S. Senate Foreign Relations Committee, to explain the advances we have made in solving the problems involving properties owned by Nicaraguans and U.S. citizens. I also explained the agreements we have signed with the Spanish Government to professionalize our National Police.

Ministers Lacayo and Leal met with Democratic Senator Christopher Dodd, who is also a member of the U.S. Senate Foreign Relations Committee, and Bernard Aronson, assistant secretary of state for inter-American affairs. Later they met with Secretary of State James Baker and several Democrats and Republicans in the House of Representatives.

I received a telephone call from President George Bush, who had already been informed of Secretary of State Baker's conversation with my ministers. He told me that the advances achieved by my government in solving the property problems and professionalizing the police, as well as my government's plans to continue to progress in both areas, were very encouraging. He said he was confident that this would allow the aid to be released in August so we can continue to successfully advance in our economic stabilization program.

I want to tell all my people that as a result of these meetings and conversations, I am optimistic and very confident that this aid will come soon. The U.S. Government understands very well how hard it is to promote change and maintain stability at the same time. That is what we have done in Nicaragua since 25 April 1990. We have exchanged war for peace; we have exchanged the arms race for reductions in military personnel and the destruction of weapons. We have changed the weekly devaluations for a stable currency, and we have been able to go from a nationalized and closed economy to an open economy with increasing participation from the business sector.

At the same time, we have gone from having problems with the international financial organizations to having a good cash flow and all their cooperation. We have achieved these things without the wars, coups, and violence that are so common to our Latin American blood.

Today Nicaragua lives in democracy. The exercise and enjoyment of public liberties is evident. The challenge that lies ahead is to build progress for all Nicaraguans, particularly the poorest.

Now that we have once again assured for ourselves the support of international cooperation, let us also assure ourselves of the cooperation of all Nicaraguans who love their fatherland so Nicaragua may emerge with firm and sure steps. May each one of us give what he has. Some must give their work, others their professional knowledge, others their capital, and we must all show our love for our fatherland. We are all Nicaragua, and Nicaragua will move ahead with everyone's help. Thank you very much.

## Former Deputy Minister Ibarra 'Has Disappeared'

*PA0408211592 Managua Radio Catolica in Spanish 1100 GMT 4 Aug 92*

[Text] Antonio Ibarra, former deputy Presidency minister, has disappeared. Neither he nor his family can be found in Miami. An arrest warrant has been issued against the former deputy Presidency minister. Once he is arrested, Antonio Ibarra will be able to provide extensive information on the issue of the bribes, who received them and who ordered them.

## Minister Issues Communique on Student Takeover

*PA0408221092 Managua Radio Nicaragua Network in Spanish 1100 GMT 4 Aug 92*

["Communique" issued by Government Minister Alfredo Mendieta Artola in Managua on 3 August—read by announcer]

[Text] Communique: Government Minister Alfredo Mendieta Artola informs the Nicaraguan people and international public opinion the following:

1. At noon on 3 August, a group of university students decided to take over the installations of La Fe Supermarket on the Northern Highway in the city of Managua, holding a group of employees of that commercial establishment as hostages. They forced a suspension of commercial activity.

2. At 1600, the government minister—in keeping with the concerted national effort being implemented by the national salvation government as a civilized means to resolve conflicts—visited La Fe Supermarket to begin negotiations with the students.

3. The government minister was received with hostility, and the students refused to abandon the supermarket and release the employees. He ordered riot police to remove students from the installations immediately and to liberate the employees being held. It should be pointed out that the students were directed by persons identified as university professors.

4. The Government Ministry, which is responsible for maintaining and guaranteeing public order, will not tolerate attacks against private property and much less attacks perpetrated against the liberty and physical integrity of individuals.

5. These kinds of demonstrations are considered crimes against property and persons, according to the existing penal law. In addition, the Government Ministry warns instigators that they will be held responsible for the consequences of these actions, adding that the arm of the law will reach them.

6. We make an urgent call to the university community to end actions that violate the laws of the country. We ask students to avoid being manipulated by those who argue that they defend a just cause by breaking the constitutional rights of others.

Issued in the city of Managua, 3 August 1992.

### University Students Campaign for More Funding

*PA0408202492 Managua Radio Sandino in Spanish 1838 GMT 4 Aug 92*

[Text] On 4 August the university students continued their campaign to present their plight to the people as the government refuses to allocate 6 percent of the national budget for higher education. The Central American University, UCA, students took over a stretch of the southern highway between km 8 and the (?seven south) traffic lights, as well as the road to Masaya on the morning of 4 August. Also, approximately 20 university members— students and professors—will begin a hunger strike at the UCA Nancy Rios auditorium at 1600 on 4 August.

### Construction Ministry Strike Threatens To Spread

*PA0508012392 Managua Radio Corporacion in Spanish 2200 GMT 4 Aug 92*

[Text] As of 1400 today, Sandinist workers at the Construction and Transportation Ministry were still on strike, blocking entry to vehicles and people who try to conduct normal business there. The strikers have paralyzed practically all work at the Ministry while they wait to speak to Minister Jaime Icabalceta to try and solve the labor conflict.

Minister Icabalceta, on the other hand, has said through the public relations department that he cannot hold any talks with the strikers while they maintain their attitude of violence and threats, which does not offer the proper conditions for negotiations.

Santiago Altamirano, public affairs officer at the Construction and Transportation Ministry, said that Minister Icabalceta is aware of the salary increase for employees and workers, but that Icabalceta himself has not promised anything, instead he has offered to request 1.2 million cordobas from the Finance Ministry, but no authorization has been forthcoming.

Meanwhile the strike continues and threatens to extend itself throughout the country. The public relations department said that there will be no negotiations until the strikers change their attitude.

## Panama

### Endara Calls Assembly to Special Session

*PA0508043692 Panama City Circuito RPC Television in Spanish 2300 GMT 4 Aug 92*

[Excerpt] President Guillermo Endara announced this afternoon that he has convoked a special session of the Legislative Assembly. The specific topic to be debated is the return of the second part of the 13th-month bonus to workers.

By law, this second part currently goes to the Social Security Institute. This means that only another law can repeal or amend the existing law. [passage ommitted]

### Endara Not To Attend Nonaligned Summit in Sep

*PA0408212792 Panama City LA PRENSA in Spanish 4 Aug 92 p 3*

[Text] An official bulletin issued on 3 August notes that Panamanian President Guillermo Endara will not attend the Nonaligned Movement summit to be held in Indonesia on 1 September.

The bulletin adds that Endara announced this decision during a meeting with an Indonesian Government delegation on the formulation of the invitation on behalf of Indonesian President Suharto.

### Intelligence Head on 'Destabilization Actions'

*PA0308171492 Panama City EL PANAMA AMERICA in Spanish 3 Aug 92 p 3A*

[Article by Juan Pritsiolas]

[Text] Jose Menalco Solis, executive secretary of the presidential intelligence agency, has stated that proclamations issued by alleged guerrilla groups and the planting of explosives in Panama City are part of a series of "destabilization actions," but he denied that those actions endanger either democracy or President Guillermo Endara.

Making only brief comments to a battery of reporters who were asking him many questions, Solis, who is also Endara's business partner, said the above-mentioned incidents are not matters of public order. [sentence as published]

Menalco Solis avoided discussing matters of concern to his office, claiming that his mission is to "inform the president." Our agency's reports are for Endara's "consumption" only, he added.

Solis said he "never" belonged to General Omar Torrijos' regime but that he was "pleased" with the cooperation he had provided to the presidents with whom he had worked.

President Endara issued a decree in 1991 prohibiting the agency under Solis' direction to carry out any political espionage, but Solis was empowered to request from all public offices any information he deemed necessary.

### Prosecutor Seeks Indictment of Herrera, Others

*PA0408192992 Panama City EL PANAMA AMERICA in Spanish 4 Aug 92 p 2a*

[Report by Juan Pritsiolas]

[Text] The first brief on the alleged attempt to overthrow President Guillermo Endara concluded with a request from the Ninth District Attorney's Office for the indictment of Colonel Eduardo Herrera, retired, [former general director of National Police], 33 other military men, and one civilian on charges of sedition and conspiracy for their participation in the events of 4 and 5 December 1990.

Prosecutor Cuba Nelson presented a 32-page document, which includes depositions made by the accused and statements by eyewitnesses, for the Seventh District Court to evaluate the merits of the request.

In addition to Herrera, the following military men could also be brought to trial: Jorge Bernal, Ricardo Herrera, Adolfo Castillo, Mario Ramos Ocana, Julio Vallejo, Erasmo Reyes Marciaga, Eladio Romero, Alcibiades Rodriguez de la Cruz, Thomas Herron, Luis Donadio, Narcy A. Carrera, Marcos Arosemena, Jose Maria Huertas, Isaac Bedoya, Fidel Oro, Samuel Berry, Cesar Cordero, Tomas Valdes B., Gil Garcia, Reynaldo Henri Cedeno, and Carlos Cerezo.

Other former officials charged with sedition and conspiracy are: Carlos I. Moreno, Tomas Herrera, Lucas Gonzalez, Dario Cabeza, Carlos Rumbo, Felix Vega, Rafael Jurado, Jorge Garcia, Zoroel Diaz Herrera, Carlos Perez De Icaza, Mariano de Jesus Quiros, and Carlos Valdez. The only civilian named in the brief is Orlando Mocci.

On 4 December 1990, a commando group aboard a privately owned helicopter rescued Eduardo Herrera from the Flamenco prison and later took over the main police headquarters.

Although Herrera maintains that he never sought to replace President Endara and that his action was mainly defensive, the file includes a declaration by Erasmo Reyes Marciaga, who maintains that during the takeover of the police headquarters he heard other officers discussing the establishment of a government junta.

In May, District Attorney Emilio de Leon revealed that U.S. officers James Steel, Richard Pryor, George Winninger, and William Coy had prior knowledge of Eduardo Herrera's plans, but did not alert the Panamanian Government.

Prosecutor Nelson's brief contains a statement by Major Javier Licona to the effect that one of the initial intentions of the group that helped Herrera to escape from the Flamenco prison was to take the colonel to participate in a march in the capital on 4 December.

The brief also contains statements by Thomas Herron denying that he supported the Herrera action and affirming that he provided important information for national security. In the document, Maj. Cesar Cordero rejects the charges against him and professes to be loyal to "the president and democracy."

Antonio Ferrer, a labor activist in the transportation sector, also made a statement. He alleged that he was brought to police headquarters under false pretenses by another leader and two newsmen who had invited him to a meeting with labor leaders.

Of the former officers mentioned in the prosecutor's brief, only Eduardo and Ricardo Herrera are still in custody. Jorge Bernal, Carlos Rumbo, Mario Ramos Ocana, and Rafael Jurado are in asylum in Guatemala.

### Guatemala Reportedly Suspends Asylum for Bernal

*PA0408194192 Panama City LA PRENSA in Spanish 4 Aug 92 p 1*

[By Manuel Alvarez]

[Text] Deputy Foreign Minister Jose Raul Mulino reported on 3 August that Guatemala has suspended the asylum it granted to Captain Jorge Eliecer Bernal in 1990 "for making political statements against" the government of President Guillermo Endara.

Mulino stated that Juan Delpree Prescot, Guatemalan ambassador to Panama, informed him last week that the decision was made after Bernal "violated the provisions on diplomatic asylum."

A few months ago, Bernal made several telephone calls from Guatemala to various radio stations in Panama to accuse Endara of being subjugated by the U.S. Government interests.

Capt. Bernal traveled to Guatemala as a political refugee after participating in the 5 December 1990 police rebellion led by retired Colonel Eduardo Herrera.

This revolt was put down by approximately 500 soldiers from the U.S. Southern Command, which is based on the banks of the canal. Herrera, who had escaped from the prison in Naos, was later arrested again.

Bernal has been charged with the 1986 killing of construction worker Yito Barrantes. He was also involved in

the 1985 killing of Spanish businessman Manuel Vasquez, who was the owner of the Blue Goose Bar.

Deputy Foreign Minister Mulino explained that he has unconfirmed reports indicating that Bernal traveled to Costa Rica, but "we do not know if he is currently in San Jose."

Mulino stated that Guatemalan authorities had warned Bernal he was violating the provisions on diplomatic asylum by making statements, but it appears he continued to do so.

A similar warning was issued to Panamanian Lieutenant Rumbo Perez, who apparently heeded this warning. Therefore, he still enjoys the asylum granted by Guatemala. Perez was also accused of participating in the police rebellion led by Herrera.

### Judges Dismissed Due to 11 Jul 'Disturbances'

*PA0308145392 Panama City Radio KW Continente in Spanish 1200 GMT 3 Aug 92*

[Text] Judges Damaris de Herrera and Ernesto Ventura were dismissed. These two judges ordered the release of many of the people arrested for their involvement in the disturbances at Plaza Porras on 11 July during the visit of U.S. President George Bush. It seems these are the only persons who have been punished in connection with that incident, as Javier Licona, a police officer who was involved, was promoted to the rank of National Police major.

## Argentina

### President Returns From Rome, Meets Cabinet

*PY0308184892 Buenos Aires TELAM in Spanish 1311 GMT 3 Aug 92*

[Text] Buenos Aires, 3 Aug (TELAM)—Several minutes past noon, President Carlos Menem left Ezeiza's International Airport aboard a helicopter after meeting with members of his cabinet.

As soon as he arrived from Rome, Menem met with most of the members of his cabinet at Ezeiza for over an hour.

### Resumption of Terrorist Attacks Ruled Out

*PY0108032292 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2317 GMT 31 Jul 92*

[Text] Buenos Aires, 31 Jul (NA)—Interior Minister Jose Luis Manzano stressed tonight that "there is no (repeat, no) evidence" on the resumption of subversive activities in Argentina, but admitted that "an investigation is being conducted into the so-called "People's Revolutionary Organization [ORP]," which announced in Montevideo the initiation of terrorist attacks in Argentina.

Manzano stated that this group claimed responsibility for recent isolated attacks in Argentina: the detonation of a bomb, which disbursed leaflets, at the Channel 9 television facilities, and two bombs placed in two automatic teller machines.

Despite this fact, Manzano emphasized that the Argentine authorities "are not concerned" about the possibility of a substantial resumption of terrorist activities in Argentina.

Regarding a report published by the Montevideo newspaper LA REPUBLICA that the ORP announced the initiation of terrorist activities in Argentina, Manzano said that "an investigation is being conducted, but there is no evidence of major activity by this organization, and that is cause for alarm."

He added: "Anyway, we are taking all the necessary precautions."

### More on Minister's Remarks

*PY0208235492 Buenos Aires BUENOS AIRES HERALD in English 1 Aug 92 pp 1, 11*

[Text] (DYN-NA)—The Uruguayan daily LA REPUBLICA asserted yesterday it had received a letter allegedly signed by Enrique Gorriaran Merlo—former 70's People's Revolutionary Army guerrilla leader and the supposed mastermind of the failed assault on the La Tablada regiment three years ago by the Movement of the Fatherland (MTP)—denying he was backing any kind of terrorist activities in Argentina.

Interior Minister Jose Luis Manzano said at a press conference that "there is no evidence" of guerrilla actions "of any importance" being planned in Argentina after LA REPUBLICA also said that a so-called People's Revolutionary Organization (ORP) had announced it would start a wave of attacks against the government of President Carlos Menem.

The news of Gorriaran Merlo's statement was released yesterday in Montevideo by one of the editors of the Uruguayan daily LA REPUBLICA, who confirmed to a Buenos Aires radio station that Gorriaran Merlo, singled out as the mastermind of the failed MTP putsch on La Tablada Army barracks on January 23, 1989, "had sent a letter through the post stamped in Argentina."

According to the journalist, Gorriaran Merlo "spoke in the name of the MTP ruling out that the group had anything to do with any kind of armed incident or mobilizations which might take place in Argentina in the future."

The note, allegedly hand signed by Gorriaran Merlo, called for the "legalization of the MTP and his own legalization" to participate in legal political activities in Argentina." [no begin quotation mark as published]

Moreover LA REPUBLICA said that Gorriaran Merlo had sent the communique to rule out any links between the MTP and the ORP which in a statement also handed to the paper announced it would start "armed action against Menem's government."

The Uruguayan sources added that the ORP communique was taken to LA REPUBLICA's newsroom by a man calling himself Raul Martinez, "who said that he was a member of the organization's executive secretariat."

The ORP recently claimed responsibility for a series of low intensity pamphlet bomb attacks near TV Channel 9 (such as when carapintada leader Aldo Rico was invited to Mirtha Legrand's midday talk show) and to automatic cash registers [teller machines] which caused material damage but no casualties.

Manzano said that the pamphlet bomb blasts were the only "isolated cases" which the supposed terrorist group had perpetrated in the country. "There is no need to worry," he added. But the minister said an investigation would be started to determine the authenticity of the Uruguayan daily's allegations. Federal Police Deputy Chief Inspector Beltran Varela echoed Manzano's statements.

### Federal Police Rejects Reports

*PY3107234092 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2118 GMT 31 Jul 92*

[Text] Buenos Aires, 31 Jul (NA)—The Federal Police are "fully convinced" that there are no possibilities of any violent mobilizations against the national government and urge the people to remain "very calm because the country is calm so far."

Federal Police Deputy Chief Inspector General Juan Beltran Varela today rejected reports published by a

Uruguayan newspaper [not further identified] on possible terrorist attacks in our country, stressing that they are "published reports, but there is no solid evidence."

Varela noted: "Thus far, the Uruguayan publication is all we have. This is something that was mentioned a couple of years ago, but there is nothing solid."

Beltran Varela stressed that the police have already conducted "the appropriate investigations" and confirmed that the Federal Police are "fully convinced that there is absolutely no" truth in the information published by the Uruguayan newspaper.

The Federal Police deputy chief made remarks at the Chacarita cemetery, where he attended the funeral of Deputy Inspector Angel Kaiser, who was killed yesterday in a violent shoot-out with criminals in downtown Buenos Aires.

## Brazil

### Junqueira Says No Evidence Involving Collor

*PY0508035992 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 4 Aug 92*

[Text] Attorney General Aristides Junqueira today said that the federal police inquiry into entrepreneur Paulo Cesar Farias has not produced any evidence of criminal activity involving President Collor.

Junqueira said that so far he does not have enough material to form an opinion:

[Begin recording] We have to examine all the evidence together. I believe I have to wait for the final report of the CPI [Congressional Investigating Committee]. The conclusions will be sent to the Attorney General's Office. We will examine all the data included in that report. The CPI was installed to investigate the behavior of a certain citizen who is not the president of the Republic. [end recording]

Junqueira thinks that former secretary Claudio Vieira's decision not to hand in documents requested by the CPI will not change the course or the investigation. According to the attorney general, those facts are not relevant, and cannot be defined as a violation or an omission.

Junqueira said he will order the shelving of two cases filed by the PT [Workers Party] before the Supreme Court involving alleged electoral crimes against President Collor, because the Constitution grants the president immunity for acts that occurred before his installment.

### CPI Hears More Testimony on Unexplained Payments

*PY0508031892 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 4 Aug 92*

[Text] The CPI [Congressional Investigating Committee] investigating Paulo Cesar [PC] Farias has decided to summon Bank of Brazil President Lafayette Coutinho and entrepreneurs Antonio Ermirio de Moraes and Emilio Odebrecht. Today two more entrepreneurs confirmed the payment of nearly 1 billion cruzeiros—at today's value—to a firm owned by Paulo Cesar Farias for consultant services.

Flavio Rabello, president of the construction firm Tratex [Tratex Engenharia], was summoned to explain invoices made without apparent reason, such as the invoice for $200,000—948 million cruzeiros at today's value—that the EPC [Empresa de Participacoes e Construcoes] owned by Paulo Cesar Farias issued in Tratex's name. Flavio Rabello explained that Tratex purchased an economic consultant's service for that price. Rabello added that the service was contracted and presented by Paulo Cesar Farias in person. Rabello could not explain what PC Farias offered for that money, but said that the contract as well as the service were done orally.

[Begin Rabello recording] The services were rendered verbally. [words indistinct] There was nothing written. No written work was presented. [end recording]

Tratex is the Rural Bank's largest shareholder. This bank is also the main source of checks issued by ghosts. Rabello said that Tratex won at least five public biddings in the last two years.

The CPI sought more answers with the directors of Cetenco Engenharia, a firm that also paid $200,000 to EPC for some services. Cetenco's financial director said the payment was made for economic and fiscal consultant services.

Cetenco Director (Renato Saffi) said the contract was made verbally, just as with Tratex. (Saffi) explained that the company expects to bill for $2.5 million, thanks to the information provided by EPC.

The CPI decided to hear two other businessmen—Antonio Ermirio de Moraes, of the Votorantim Group, and Emilio Odebrecht of the Norberto Odebrecht Company—besides Bank of Brazil President Lafayette Coutinho, although the dates have not yet been set.

CPI spokesman Amir Lando will decide on the situation of former secretary Claudio Vieira. The spokesman understands that Vieira might face the consequences established in the penal code for not having presented the documents showing that the loan with Alfa Trading was actually made.

### Support Sought for CPI's Request for More Time

*PY0408182292 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Aug 92 p 5*

[Text] Brasilia—Congress Chairman Senator Mauro Benevides (PMDB-CE) [Brazilian Democratic Movement Party-Ceara], intends to grant political support to the conclusions of the CPI [Congressional Investigating Committee] that has been investigating charges against businessman Paulo Cesar Farias for the past two

months, and to the request made by CPI coordinator Senator Amir Lando for more time to draw up a report on the investigations. Therefore, Benevides intends to hold new meetings with governors, the chairmen of political parties, and civilian enterprises this week. Benevides commented: "We need to consolidate a national awareness regarding the CPI's seriousness and need to support its conclusions and results."

Benevides, like most legislators, last week became quite uneasy when secretary Sandra Fernandes de Oliveira appeared in Brasilia. Sandra denied former presidential secretary Claudio Vieira's version on the origin of the resources to pay the personal expenses of the nation's first lady. Since it is believed that the $5 million obtained in Uruguay is forged, President Fernando Collor's situation has become even more delicate. Probably because he expects the worst, Benevides started talks to back the CPI during his visit to Sao Paulo Governor Luiz Antonio Fleury on 1 August. Benevides explained that the next meetings have not yet been scheduled but that will be done this week in Brasilia and other states.

In addition to the political support, Benevides believes it "necessary" to contact organizations such as the Brazilian Lawyers Association (OAB), the National Conference of Brazilian Bishops (CNBB), the Brazilian Press Association (ABI), and labor unions. Benevides explained: "We want the truth to surface and that those found guilty be punished in an exemplary manner." He then added that in order to conclude its work, "the CPI will need a lot of support," especially to obtain approval for its request for a 10-day deadline extension.

## Collor's Relations With Allies, Infighting Viewed

*PY0408160292 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Aug 92 Section 1 p 6*

[By Tales Faria of the Brasilia Bureau and Brasilia Bureau director Gilberto Dimenstein; impeachment published in English throughout the article]

[Text] The 3 August meeting of the economic area ministers and the government's political area ministers will be decisive with regard to the PFL [Liberal Front Party] maintaining its support for the federal government.

The main party to support the government in Congress, the PFL will not confront the opposition during the voting requesting the impeachment of President Fernando Collor if it does not have the support of the economic area for the distribution of funds among congressmen who are allies.

The confrontation with Economy Minister Marcilio Marques Moreira that occurred during the 31 July meeting in which the political area ministers were not able to obtain funds from the economic area caused the rebirth of an old antagonism that Bahia State Governor Antonio Carlos Magalhaes [ACM] and Jorge Bornhausen, the government's political coordinator, have for the economy minister.

### PFL

ACM and Bornhausen today have hegemonic control of the PFL. They stressed that August would be the decisive month as to whether the economy minister will remain in the government, even before the charges that Paulo Cesar [PC] Farias was involved with President Fernando Collor began to emerge. The minister either changes his recessive economic policy of containing public expenditures, or the party will call for his removal.

But on 31 July, when he resisted the political area's appeals, Marques Moreira demonstrated that he knows all about the power he holds over the president today.

He is considered not only a guarantee for the country's business sector that the political crisis will not invade the economic sector, he is also a guarantee for the support that international creditors are giving the Collor government.

This demonstration of power increased the irritation of Bornhausen and ACM. The PFL leadership has decided to give the economy minister the same treatment given to PC Farias when Collorgate exploded.

### Threat

They made known to the president that it would have to be Collor himself who would have the task of fielding the family threats that PC Farias would reveal an alleged involvement with the president.

In the case of the economy minister, the PFL leadership also has the intention of telling Collor that it will have to be him who curbs the economy minister's power and that if he does not, then he will lose the support of his main party in Congress.

Until the 31 July meeting, the PFL leadership had signalled Collor that it was willing to continue supporting the president.

Two days before, Bahia State Governor Magalhaes, through senator and former President Jose Sarney, had rejected tentative negotiations with the opposition that had been organized by Tasso Jereissati, president of the PSDB [Brazilian Social Democracy Party]. The governor let it be known that if he left the government "it would be the last thing he would do."

Jorge Bornhausen, who had thought of leaving the government when the videotape in which then-Alagoas State Governor Fernando Collor had called him a "black case," on 29 July told the leaders of the parties that are Planalto Palace allies that he was prepared to face the impeachment process.

He stressed that when the time for voting came, he would make the Chamber of Deputies repeat the defeat suffered

by the Direct Elections Now bill that occurred during the government of former President Joao Baptista Figueiredo.

The impasse is now in the hands of Collor. He cannot lose either the economy minister or the PFL. He will have to find a solution during the 3 August meeting that will keep the prestige of both sides intact, but it is true that it will only help in postponing the confrontation.

### Bahia Governor Terms Situation 'Complicated'

*PY0408182892 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Aug 92 Section 1 p 11*

[Text] Bahia Governor Antonio Carlos Magalhaes, alias ACM, said on 31 July that the current cabinet "has credibility to support President Collor." ACM stated that Brazil's situation "is complicated" because there are two Collor administrations: "The first one made up of Alagoas' criminals, which we forced to leave, and the current one, which is a competent cabinet."

ACM said that all the crimes being investigated by the CPI [Congressional Investigating Committee] in the PC [Paulo Cesar Farias] case, involve "the Alagoas State criminals installed within the government." He also stated that the courts' slowness in Brazil has been "the main cause for the impunity, and that impunity has been greatly responsible for the spreading of corruption."

ACM advocated reforming the Penal Code, and said: "One does not need much time to learn whether a person was involved in a robbery. Businessman Paulo Cesar Farias is an example of corruption in Brazil."

ACM said that he will wait for the result of the CPI report to voice his opinion. He stated: "I want all guilty parties to be exemplarily punished." He thinks that courts should not be moved by "the dilatory methods that are used to prevent rich criminals from being sent to jail."

### Brizola Clarifies Position on Collor Scandal

*PY0408145692 Sao Paulo SBT Television Network in Portuguese 0258 GMT 4 Aug 92*

[Interview with Rio de Janeiro Governor Leonel Brizola by Jo Soares on the "Jo Soares 1130" talk show at the SBT studio—live]

[Excerpts] [passage omitted] [Soares] If it is so easy to obtain loans in Brazil, why did President Collor have to go to Uruguay...?

[Brizola] That's exactly what I mean. [audience laughs] That's a backward method; he could have reached an agreement with Roberto Marinho [who easily obtained credit in Brazil]. Roberto could have asked for $40 million or $45 million and everything would have been OK, with much better conditions, without having to explain anything, without having to fly the black bat [plane owned by businessman Paulo Cesar Farias] here or there, without documents or promissory notes. Nothing would have been necessary.

Why? Because this is the simplest thing. With a rapidly signed contract it was possible to obtain $38 million from savings. Then, in my loneliness—because I am rather lonely in this affair, Jo... [pauses] people say that Brizola backs Collor. They say: I see that a friend like you continues with this mistake, backing President Collor.

I am not backing President Collor; I am not his ally and I am not part of his government either. What I am doing is attempting to defend what I must defend, which are democratic institutions. I believe that...

[Soares interrupts] But isn't the vice president taking power a democratic institution?

[Brizola] Look, look Jo, I believe that I—I am nearly 70, with still a bit of hair, unlike you who still have plenty of beautiful white hair [audience laughs]—I...

[Soares] I am 54.

[Brizola] Really? [audience laughs] [passage omitted] I do not back the government because I obviously do not belong to the government. It is the PFL [Liberal Front Party] that should back the government. The PFL is in the government, right? Who is holding a different position? The PMDB [Brazilian Democratic Movement Party], the PT [Workers Party], and the PSDB [Brazilian Social Democracy Party] claim to be in the opposition...

[Soares interrupts] Some PDT [Democratic Workers Party] members also claim to be in the opposition.

[Brizola] Well, I believe they are in a suspicious position, because in the final analysis the only thing they want is to oust the president.

My position is as follows. We want to end this situation of corruption, without leaving anything under the carpet.

[Soares] But if corruption affects the Presidency, what will be your position? I want to say the following. Let us compare both episodes. [passage omitted in which Soares and Brizola recall former President Goulart's term]

[Soares] Now in this case things are a bit different, because evidence has been disclosed leading to the supposition that Farias was paying the expenses of the Casa da Dinda [Collor's residence in Brasilia]. This means that the president is involved...

[Brizola interrupts] Look, I fully agree...

[Soares continues]... and this is unpleasant for all Brazilians...

[Brizola interrupts] ... Look, I fully agree...

[Soares continues] Therefore, if there is impeachment, Itamar Franco should take over.

[Brizola] Excuse me. Excuse me. All that, everything having to do with corruption is outrageous and deserves our indignation and repudiation. Fine, we fully agree to that. The point is...

[Soares interrupts] Did you see [words indistinct]...

[Brizola continues] The difference between our position and that of the people who are constantly demanding impeachment, in advance, is the following: We want to investigate everything. We will not leave the Roberto Marinho-Federal Savings Bank case under the carpet. We will not leave the Farias checks involving the privatization of VASP [Sao Paulo Airline] during the Quercia government under the carpet. No. We will investigate everything. Why should we investigate only some things? This is...

[Soares interrupts] In the specific case of Roberto Marinho, there is nothing under the carpet.

[Brizola continues] Now, there should be no restriction. If this involves Planalto Palace or whomever, we will go as deeply as necessary. There should be no limit. What I do not agree with is to investigate only what can incriminate the president, leaving big, immense cases under the carpet, without investigation.

[Passage omitted in which Soares and Brizola exchange views on the Roberto Marinho case and Brazilian politics in past decades]

[Brizola] I frankly did not like the way in which the Congressional Investigating Committee, CPI, has begun to operate. I believe the CPI is very necessary, and this investigation was essential. But I believe it has become a show, and I think this is inappropriate for an impartial investigation, especially when there is the attempt to incriminate the president. This will not preserve justice and help elucidate the truth. I believe that if the CPI wants to incriminate the president it must be strictly, absolutely impartial. For example,...

[Soares interrupts] Governor, is there anything missing for incriminating the president?

[Brizola] I frankly believe that the whole story by Senator Suplicy, who took a secretary to the CPI, as if it were something really big. I frankly believe that Suplicy, a respectable figure, did not have to resort to that type of thing, considering the image that he enjoys in Sao Paulo. I believe that, as architect Niemeyer put it, this action has created a situation in which, say, accusations are made by informers. That action was inappropriate, even because no evidence was supplied. She made some references to what she saw, what she suspected, and what she believed, but she actually supplied no evidence. [passage omitted]

## Brizola Support for Collor Harms PDT Candidates

*PY0408184492 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Aug 92 Section 1 p 13*

[By Aziz Filho]

[Excerpt] During a meeting scheduled to be held in Brasilia this week, PDT [Democratic Workers Party] congressmen will tell Rio de Janeiro Governor Leonel Brizola that his support for President Collor harms PDT candidates for the October elections. The meeting was agreed upon by Brizola and PDT chamber leader Eden Pedroso, who has aligned with the PMDB [Brazilian Democratic Movement Party], the PSDB [Brazilian Social Democratic Party], and the PT [Workers Party], the parties that oppose President Collor.

The candidates hope that Brizola will change his position after the meeting. Rio de Janeiro Deputy Miro Teixeira and Federal District Senator Mauricio Correa, who are the PDT representatives on the CPI [Congressional Investigating Committee], will try to convince Brizola that the evidence to open the impeachment [preceding word in English] process is unquestionable. The meeting is scheduled to be held on 5 or 6 August. The two deputies are the key figures on the CPI. The opposition and government supporters divide the remaining 20 votes. [passage omitted]

## Presidency Workers Share 'Dissatisfaction'

*PY0408131292 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Aug 92 p 5*

[Text] Brasilia—All diplomats working at the Presidency of the Republic share former Press Secretary Pedro Luiz Rodrigues' increasing dissatisfaction with his position in the government. They exchanged privileged positions to become public employees comprising the most uncomfortable group in the government. Charges linking President Fernando Collor to the illegal activities of entrepreneur Paulo Cesar Farias also affect the 2,094 Planalto Palace administrative employees.

The Presidency's 23 diplomats and some of the military men who remain in the palace do not hide the fact that they are in a delicate position and that Collor is isolated. The president has been frequently criticized since the trip to Las Lenas [Argentina]. The agenda he chose to have in Spain, where he accepted talking and having dinner only with two friends—Claudio Humberto Rosa e Silva and Sebastiao Nery—made things worse. The high-level advisers usually say: "He is majestic and self-sufficient, although the normal thing would have been for him to behave more humbly until this phase is over, if it will ever be over."

The difficulty the three ambassadors working at the Presidency have in leaving the palace also results from their friendship with Collor's secretary general and brother-in-law—Marcos Coimbra. Ambassador Gelson Fonseca, who is in charge of writing the president's speeches, would hardly find it justifiable "to leave the

sinking ship." However, experts like National Legal Adviser Celio Souza Silva can "leave the ship" without embarrassment. All government members who attended the nine-hour meeting witnessed how Collor repeatedly humiliated an disrespected him. Collor usually says in an irritated manner: "If Silva is saying that this must be done this way, we must do it the opposite way to make it function."

### * Legal Expert Views CPI Limits, Impeachment

*92SM0539A Sao Paulo EXAME in Portuguese*
*22 Jul 92 pp 24-26*

[Interview with Deputy Nelson Jobim by Nely Caixeta, chief of the EXAME bureau in Brasilia; place and date not given—first paragraph is EXAME introduction]

[Text] "The CPI [Congressional Investigating Committee] cannot formally charge anyone, not even Paulo Cesar Farias. It only investigates and passes information to the Office of Public Prosecutor." The author of this statement is no petrified government partisan, safely billeted in some job in the federal bureaucracy. The warning comes from Rio Grande do Sul Deputy Nelson Jobim of the PMDB [Brazilian Democratic Movement Party], a legislator who has become known, ever since the Constituent Assembly, for his knowledge of procedural and constitutional law. At the very beginning of the PC Farias scandal, when the accusations leveled by Pedro Collor against his brother, Fernando Collor, set fire to the Congress, Jobim ended up in the role of fireman. He reminded people that the CPI cannot investigate the president of Brazil, it can only determine the facts and oversee the public administration. Now, Jobim reminds us that no facts have yet emerged that could be classified as criminal abuse of power [crime de responsabilidade] and would provide grounds for impeachment [preceding word in English throughout] proceedings—even considering the indications that PC Farias's office was paying expenses for Collor and his relatives. "It is no crime to pay bills for others," the deputy said. In this interview with Nely Caixeta, chief of EXAME's Brasilia bureau, Jobim describes how the impeachment process works and analyzes the political situation created by the series of charges involving the president.

[Caixeta] Would the information gathered so far concerning Paulo Cesar Farias enable the CPI to recommend that an investigation also be launched against the president of Brazil?

[Jobim] No, it would not. The deputies serving on the CPI, as good citizens, can file a complaint. However, this has to be done outside the CPI. The committee cannot investigate the president of the Republic. The CPI can only investigate Paulo Cesar Farias. That was why it was established. Incidentally, the CPI cannot formally charge anyone, not even Paulo Cesar Farias. If the deputies conclude that this gentleman perpetrated an illegal act, the only thing the CPI can do is forward all the documentation to the Office of the Public Prosecutor so that legal measures can be taken. It is the Office of the Public Prosecutor that will examine whether an indictment should be offered up in this case. The CPI does not accuse anyone. It neither accuses nor arrests people. It only investigates and passes information along to the Office of the Public Prosecutor.

[Caixeta] If it obtains evidence linking the activities of Paulo Cesar Farias to President Fernando Collor de Mello, what does the CPI do with all that information?

[Jobim] It can draw conclusions only with regard to PC Farias. But let us suppose that in the course of doing all that research, the deputies and senators who comprise the CPI conclude that the case merits filing charges against the president. The legislators cannot put this into the CPI's opinion. The deputies and senators can, however, individually or collectively, as Brazilian citizens, make an accusation. The problem there is that if they sign a complaint against the president of Brazil, those legislators will be barred from voting in the proceedings because they were the accusers. They will be barred from voting, and they cannot turn to their alternates.

[Caixeta] Supposing some citizen does denounce the president in the Chamber of Deputies, could the proceedings be handled quickly?

[Jobim] No. After the charge is presented, it is placed on the agenda by the speaker of the Chamber. The first thing to be done is to elect a special committee of deputies, on which the political parties are represented proportionately. That commission studies the charges, gives its opinion, and indicates whether the case requires a decision by the Chamber. The commission has to see whether the accusation satisfies the requisites for admissibility. It has to point to specific conduct by the president that would, at least, be classifiable as an abuse of power.

[Caixeta] What kind of cases are those?

[Jobim] Crimes of abuse of power are, for example, those that threaten the internal security of this country, honesty in administration, the budget law, or compliance with court decisions—besides the illegal use of public funds. The penalty for criminal abuse of power is not imprisonment, but forfeiture of office. Imprisonment would only apply in the case of an ordinary crime. In such case, there is a provision in the Chamber's regulations that authorizes the institution of criminal proceedings against the president, the vice president, or the ministers of state, when applicable. In situations where there is a common infraction, the charge is evaluated by the Federal Supreme Court, which makes a request to the Chamber in order to be able to prosecute the president.

[Caixeta] What is the next step, if the committee of the Chamber decides that criminal abuse of power has occurred?

[Jobim] The commission's opinion then goes to the full house. A favorable vote by two-thirds of the Chamber of

Deputies is required in order to decide on the accusation. If it is approved, then the second phase of the process begins.

[Caixeta] What is the second phase like?

[Jobim] The commission sends a certified copy of the accusation, with all the elements that comprise it, to the president of the Republic. He has 20 days to answer it. Then the process of determining guilt begins. It is before that commission that the evidence for the prosecution and for the defense are presented. None of the evidence that is being gathered by the CPI is worth anything for purposes of the impeachment process. New depositions would have to be taken. The evidence obtained by the CPI is useless to the prosecution in the Chamber because it was produced in the absence of the defense. After these steps are taken—hearing witnesses, arranging for expert testimony, the commission has 10 days in which to offer its opinion as to whether or not there are grounds for the accusation. We will then see a more serious opinion, which goes to the plenary of the Chamber. If that body concludes, by a two-thirds vote of its members, that the accusation should stand, the process moves to the Senate. The president is then excused from duty for 180 days. It is before the Senate that the Special Commission of the Chamber prepares the bill of indictment.

[Caixeta] Who defends the president in these proceedings?

[Jobim] He defends himself, accompanied by his attorneys. The president can appear before the Chamber to be heard at the beginning of the process and later testify before the Senate, with the Chief Justice of the Federal Supreme Court presiding. The Senate must reach its verdict within the 180 days the president is removed from duty. If it does not finish the task within that period, the president reassumes his duties, and the proceedings continue. The Senate can convict the president by a two-thirds vote. If that happens, he forfeits his mandate.

[Caixeta] It is a pretty complicated mechanism.

[Jobim] It certainly is. Three separate votes are needed—two in the Chamber and one in the Senate. In between, there are are several scenes that involve the president. It is an extremely complex process. Normally, it does not continue through to the end. Somewhere in the middle of it, the president resigns. In reality, that process might not even get off the ground. The fact of the matter is that if, on the first vote, the Chamber approves acceptance of the accusation by a two-thirds vote, that constitutes a sign that it is disposed to rule that there are grounds for an indictment.

[Caixeta] Can't all these steps be speeded up, if there is heavy pressure from the public and some arrangement is made among the political parties in light of very strong evidence against the president?

[Jobim] There are the rules of the game. The rite must follow the so-called due process of law [preceding phrase in English], i.e., proper criminal procedure. That must be strictly observed.

[Caixeta] Would you venture to predict the results of this CPI?

[Jobim] It is moving very quickly to a conclusion on the basis of which it could recommend proceedings against PC Farias. But, given the elements of evidence gathered so far, I do not see any connection with the president, nor any way to legitimize impeachment proceedings.

[Caixeta] Can't the indications that PC Farias was paying expenses for the president be used to point to such a connection between them?

[Jobim] It is no crime to pay bills for others. By itself, it is of no importance at all that someone has been paying the president's bills. Now, it could begin to characterize a crime if the bills were being paid in return for other actions that have not yet come to light. They say this is an indication that PC Farias gained advantages and engaged in influence-peddling. But all that is presumption, mere speculation. So far, nothing has come up that would support that suspicion.

[Caixeta] Do you think that the administration is corrupt?

[Jobim] I cannot say that.

[Caixeta] Isn't there enough evidence?

[Jobim] There is talk, but not evidence. Testimonial evidence is merely affirmative. Testimonial evidence that is not corroborated by material proof does not count. That would be the same as starting to convict people on the basis of a mere newspaper story. The reports that we have are of several circumstances that have been described, but not proven. What the CPI can do is check up on those reports to see if it finds proof, actual documents on the facts. So far, there is no proof at all. Now it is important to remember, and to make it very clear, that the investigating committee is not a court of inquisition.

[Caixeta] Doesn't that neutralize the CPI?

[Jobim] The accusations are against PC Farias, but the CPI can go after other people. The committee's intent is not to get PC, because he is going to be subject to ordinary criminal proceedings. We cannot take on the functions of the police or the Office of Public Prosecutor. What the investigation committee wants to do is, through PC, find out what kind of distortions have been occurring in the executive branch. Because then the Congress would indeed be exercising its oversight powers. The investigations by the Office of Public Prosector and the police are one thing—they are trying to find out whether the individual committed a crime. The CPI's work is something different. It is looking into the charges of corruption and influence-peddling within the

executive branch that supposedly were carried out via that individual. The committee cannot convict PC Farias, but it can check into the kind of influence that individual had within the executive branch. If what it learns constitutes a crime, the CPI can notify the Public Prosecutor so that he can take the appropriate steps. The CPI has a much broader objective. Although the newspapers and most of the public believe the purpose of the CPI is to convict a certain person, the intent is to find out, through an analysis of that person's behavior, what kinds of distortions were caused within the public administration and what kind of solutions it could recommend. This is to prevent future PC's.

[Caixeta] How big is the crisis brought on by the charges against PC and the president?

[Jobim] The crisis cooled off somewhat because the economy was not affected by it much. There is one point I think it is good to insist on: None of the current Cabinet ministers has been contaminated by the crisis. All the facts that are coming to light represent an autopsy on the administration as it was prior to the ministerial reform. The economy, after the decline on the stock exchanges, went back to normal. The president had some extra breathing room because the press did not resume its bombastic reporting. All indications are that the curve, which was pointing upward, has now reached its level of stabilization. If this continues, the curve will tend to point downward.

[Caixeta] Do you attribute the cooling off of the crisis to the president's actions?

[Jobim] It seems to me that the president is handling the situation well. He has introduced elements that, shall we say, acted as a safety valve for the crisis. The pressure cooker had reached a certain level, someone opened the valve, and some of the steam escaped.

[Caixeta] The president has blamed the accusations on a "coup syndicate." Do you know what that might be?

[Jobim] That is rhetoric. There is not the least doubt that there are always persons interested—I do not know who—in seeing crises get worse so that they can find immediate ways to achieve their ambitions. That is the history of Brazil. The UDN [National Democratic Union] partisans are always hanging around.

[Caixeta] What do you think of the support that the president has been getting from the PFL [Liberal Front Party] and Governor Leonel Brizola?

[Jobim] The decisive, even courageous, manifestation by Brizola is based to a large extent on his memories of the 1953 crisis. One of the things that preceded the Getulio Vargas crisis was the Samuel Wainer CPI, the ULTIMA HORA CPI. Brizola remembers all that. All the people behind that ULTIMA HORA investigation were from the UDN. Brizola has now divided the opposition forces, put a rock in their path. The PFL, for its part, is clearheaded and serene. The ones who seem to me to be the most upset are the "tucanos," [members of the Brazilian Social Democratic Party] who are talking about resignation and more direct actions. But I do not believe that will happen.

[Caixeta] Why not?

[Jobim] We are entering an election campaign period, starting in August. There is no way that Congress can take care of both the political crisis and the election campaign. In the second place, is a continued crisis in the interests of the business community? Is it in the workers' interest? There are a series of factors that help to minimize the effects of the crisis. The administration is facing this issue of the fiscal adjustment, and it has to deal with the issue of salary equality [among personnel in the various branches of government], which at least holds out an olive branch, a white flag, in relation to the military. Then there is the foreign debt agreement that has finally been reached. These are factors that, added together, mean that the CPI will be focusing solely on PC Farias. Obviously the government is not going to come out unscathed. It will be politically weaker as a result of this episode.

[Caixeta] What do you think about the government's attempts to take the offensive, even trying to incriminate former Governor Orestes Quercia?

[Jobim] That is the kind of retaliation that leads nowhere. On the contrary, it may even get people more upset. It is not a skillful way to defend oneself and deal with a crisis. It is not only Quercia. I am talking about the raids on deputies' accounts. None of that is good. It is a primitive way of defending oneself.

### Deputy on CPI, Impeachment

*PY0408211992 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Aug 92 p 6*

[Interview with Deputy Nelson Jobim (Brazilian Democratic Movement Party-Rio Grande do Sul State) by Brasilia bureau correspondent Ary Ribeiro—place and date not given]

[Excerpt] [Ribeiro] As the CPI [Congressional Investigating Committee] was created to investigate the charges leveled by Pedro Collor de Mello, President Fernando Collor's brother, against entrepreneur Paulo Cesar Farias, alias PC, is it not overstepping its authority in pointing at the president of the Republic's possible involvement with the entrepreneur?

[Jobim] No. It cannot investigate the president of the Republic. It cannot summon him to testify. It cannot check into his accounts. In our legal system the president of the Republic can only be investigated by a special commission of the political system. Nevertheless nothing prevents the CPI, while investigating the activities of Mr. PC Farias, from reaching the president. While checking into the accounts of his secretary, Maria Gomes...

[Ribeiro, interrupting] Ana Acioli.

[Jobim] ...or Ana Acioli, the CPI is reaching him. This is the spread of the investigation. There is something that we must understand: In the end, the CPI will present a report and its conclusions. In the report the CPI will include all the facts investigated. If the CPI discovers any involvement by the president of the Republic, the CPI will simply describe the facts, without passing judgment. The conclusions, restricted by the objectives in creating the CPI, will be submitted to the government attorney's office, as established by the Constitution, to prosecute the offenders for civil or criminal liabilities. The CPI will not sentence or arrest Mr. Paulo Cesar Farias. That is a judicial branch authority. As he does not enjoy special privileges, he will be indicted by a regular court, either in Brasilia or in Alagoas.

[Ribeiro] With respect to the work of the CPI known so far, would you say that the CPI has already reached President Fernando Collor?

[Jobim] I have not attended the CPI meetings, and I still have not formed an opinion about what the public is perceiving. I am trying to protect myself in order to deal with this issue at the right moment, because there are always new developments. Some colleagues in the CPI have already told me about the seriousness of the facts involving the president of the Republic, and the latest developments are confirming this information.

[Ribeiro] Do the developments you mention refer to proceedings for malfeasance, which could lead the Chamber of Deputies to approve an impeachment [preceding word in English] process against Collor?

[Jobim] Exactly. Nevertheless, three things are essential for this: the charges—to be formalized at the Chamber of Deputies president's office—must point out the facts, demonstrate that these facts involve the president in the crime of malfeasance, and present the evidence, which can be testimonial (at least five witnesses) or material evidence.

[Ribeiro] As a political process is involved here, do you believe conditions are ripe for an impeachment [preceding word in English] process to be conducted?

[Jobim] The process is of a political nature, but it is not conducted without legal basis. It requires the approval of two-thirds of the Chamber of Deputies (a minimum of 335 votes) in order to be implemented, and two-thirds of the Senate (a minimum of 54 votes) for a sentence. It is difficult. A great national clamor would be necessary. Nevertheless, one thing is certain: Admitting the beginning of the process, during the first vote, will be the beginning of the end. The process, in keeping with its political meaning, will be like a funnel, until a resignation is reached. Therefore it is necessary to strictly observe the rules of the game. We cannot abort or anticipate anything. If there are charges meeting the minimum legal requirements, let the process begin. We cannot, through an office agreement, hinder the procedure established by the Constitution.

[Ribeiro] Would the Chamber of Deputies have to redo the CPI's investigative work?

[Jobim] No. The Special Committee that should be legally established is not a CPI. It would be restricted to reviewing the evidence presented, and comparing it with the defendant's defense. It is the so-called contradictory-process system.

[Ribeiro] Do you believe the nation is prepared for a political power decree on the president of the Republic's loss of mandate?

[Jobim] It is a problem. If there are solid elements to the charges, we must have courage. The president will also have to face the fact with courage, in order to prevent the nation from going through this traumatic process. Resignation is the only way to prevent that.

[Ribeiro] Nevertheless, he has been saying he will not resign...

[Jobim] This is why we expect courage on his part. He would have to understand that it would not be just him, but the entire nation that would be submitted to a process that would negatively reflect on the already difficult economic situation. It is curious to note that so far this has been avoided. The CPI incriminates the president, sparing his cabinet. However, the former cabinet's activities have been closely studied. We are experiencing a sort of Italianization of the crisis: The government is facing problems, but the society and the economy continue working. [passage omitted]

## * Latest Views of Cabinet Ministers on Scandal

*92SM0538A Sao Paulo ISTOE SENHOR in Portuguese 22 Jul 92 pp 16-18*

[Article by Jose Rezende, Jr.: "The Six Samurai"]

[Text] Physicist Jose Goldemberg, like every scientist worthy of the name, is looking for answers. Representative of a species that people have come to call the "moral reserve of the Collor administration"—a group of distinguished citizens called on to serve in the government during the most recent reform carried out by the president of the Republic, Goldemberg did not try to conceal from the Brazilian public his state of mind on that fateful Saturday, 27 June. That was when the education minister read the report in ISTOE SENHOR in which private citizen Francisco Eriberto Freire Franca, former chauffeur for Ana Acioli, Collor's private secretary, told how PC Farias's money was paying the president's private expenses. "That day I said I was perplexed, because this was a deposition of a simple man, who did not appear to be lying. At that moment, I was looking for answers. And they came when the president explained on television that the money had been deposited by Claudio Vieira." The minister smiled, more confident, but then returned to perplexity: "Then I found out there are no deposits from Claudio Vieira in that account...." Goldemberg is once again looking for answers.

That is the curse that scientists must live with, but it is true that Goldemberg is not demanding answers of the one most qualified to give them: the president of Brazil. And he continues in the post, which subjects him to demands to explain himself. "It is normal for colleagues to ask me: 'But, Goldemberg, what are you doing in a government of this sort?' I answer: 'The accusations do not involve my area, they are all being investigated, and nothing has been proven,'" he recounted. And, philosophically: "Things are not always what they seem." Goldemberg has even developed a theory on the basis of what happened to two other famous suspects. "Look at General Newton Cruz. If anyone had asked me, I would have said he was guilty. However, he was absolved, seven to nothing. And that fellow from Cuba Street (In the 1988 double murder in Natal of the Bouchabki couple from Sao Paulo, their son Jorge, aka Jorginho, was one of the prime suspects). All of the evidence led one to assume that he was the one who killed his parents, but he ended up being acquitted. The accusations against the president are very serious, but we have to await the results of the CPI [Congressional Investigating Committee]. You cannot form an opinion now," he said.

A sort of island of morality in a sea of mud that is fed by charges against former Cabinet colleagues—and hence a survivor of Collor's old team—experimental physicist Goldemberg refuses to debate hypothetical situations. Therefore, he prefers not to say what he would do in the event the CPI concludes that the president was involved. Meanwhile, Secretary of Strategic Affairs Eliezer Batista, also called on by Collor to lend an air of competence and dignity to the new team, knows something will have to be done. "If this thing goes any further, I will have to make a decision and look at what I am doing in this environment. But for the time being, I do not have the final findings on which to make a judgement," he said. For the moment, Batista is content to figure out exactly what he is doing in the middle of the Collor administration. "We are here to rethink Brazil in terms of its infrastructure," said Batista, who is a workaholic, as his appointment book shows. Batista rethinks Brazil daily on the fourth floor of Planalto Palace, from 0800 to 1930, does "his homework" until 2200, and gets up the next day at 0600 to exercise in the endless corridor of the noisy and mosquito-infested apartment building where he lives in Asa Sul. He takes advantage of the weekends to catch up on his work.

Working hard is perhaps the best way ever invented to keep clear of the bombs that are raining down on the administration. "I am sort of on the sidelines. I am outside the eye of the hurricane," Batista said apologetically.

Another notable in the Collor government, cardiologist and Minister of Health Adib Jatene, has adopted the same rationale. When someone asks him how a professional with his background, ability, and standing can be part of the Collor government, Jatene goes straight to the heart of the matter: "For that very reason. I am using my training in the service of Brazil." Jatene also believes it is not appropriate for him to express an opinion on the accusations against the president. "I am here to work," he usually answers.

Cited as the first member of the ministerial team who would jump ship if the president could no longer deny his involvement with PC Farias, former Supreme Court Justice and now Justice Minister Celio Borja is busy denying that he is moving in that direction. Borja has been avoiding the press, claiming that reporters were misinterpreting his statements. When the newspapers stated that he was thinking about leaving the government, Borja allegedly merely allowed himself some conjecture as to what he would do with his time once he has left office.

Denials notwithstanding, the independent manner in which the Federal Police, subordinate to the Ministry of Justice and therefore to Celio Borja, has been handling the investigation against PC is strikingly obvious to the more attentive observers. So much so that Chief Paulo Lacerda, who is presiding over the inquiry, has complained of pressures coming not from the minister, but from a parallel group that intimidates witnesses whenever the investigations get close to Casa da Dinda. That same Thursday, 16 July, when he once again denied that he would leave the government, Borja met with Chief Paulo Lacerda and with Federal Police Director Amaury Galdino to tell them he would not allow any sort of pressure or interference in the investigations—even if they were to reach the landscaped grounds of the presidential residence.

In compensation, political scientist Helio Jaguaribe, secretary of Science and Technology, proved to be more of a follower of the Mussolinian than the Machiavellian line in his scuffle with the president of the SBPC [Brazilian Society for the Advancement of Science] [see box]. In fact, he deserves to be nominated to the "death squad," the distinguished society of "collorido" acolytes assigned to intimidate the president's accusers.

Given the situation, the behavior of the Minister in Chief of the Government Secretariat was strange. Two weeks ago, the biggest star in the cast, Jorge Bornhausen, disappeared from the newscasts as if he had nothing to say in defense of the administration or as if his political maneuvering had, at least momentarily, become less effective. Bornhausen's advisers say the minister does not necessarily have to appear in the press and that all his efforts at the moment are concentrated on winning passage of bills of interest to the administration, mainly the tax reform bill. Therefore, an aide said, Bornhausen "is not in the least depressed, but extremely happy about the success achieved so far." So there is such a thing as happiness, after all.

[Box, p 16-17]

**Science Takes A Vacation**

That science is science and politics is politics and that these are two profoundly different vocations is a principle that, in Brazil, has been trivialized, depending on the interests of whatever thinking heads are on duty. From Sunday, 12 July, the date of the opening session of the 44th Meeting of the SBPC in Sao Paulo, to Friday, 17 July, two of those heads answered to the names of Ennio Candotti, the scientist who is president of the society, and Helio Jaguaribe, assigned by the Collor government to take care of the Science and Technology Secretariat. Extrapolating his role as defender of the cause of science to which he was elected, Candotti used his position to ask, in the name of ethics, that President Collor resign. Invested with the spirit of guardian of the administration, Jaguaribe sought to cover his incompetence as manager of scientific and technological development by punishing the scientists with cuts in the already meager funding for research.

"The public has lost confidence in the actions and policy of this government. It is necessary for the president to resign," Candotti raged. From the other side of the barricade, Jaguaribe threatened to withdraw the almost 2.2 billion cruzeiros the government has allocated to funding scientific publications by the society and warned: "The SBPC could lose its legitimacy as representative of science if it becomes a branch of the CUT [United Federation of Workers] and the PT [Workers Party]." The blunders by the two leaders produced no concrete results to benefit either science or politics. Candotti did not succeed in bringing down the president. Jaguaribe succeeded in winning the support of a Cabinet colleague, Minister of Education Jose Goldemberg. But perhaps recalling that he himself once used the post of president of the SBPC as a political stepping-stone, Goldemberg did not endorse the dictatorial punishment that the cut in appropriations represented.

After all, not even the military governments, accustomed to punishing opponents by imprisonment, torture, and death, had threatened to apply such a stiff disciplinary measure on the scientists who took refuge in the association to protest against the system. Likewise, although it has been a traditional forum for political debate and criticism, the SBPC had never dared to meddle in a subject outside its domain. "The request for a resignation was inopportune. He should at least have waited for the results of the CPI," recommended geneticist Warwick Kerr of the Federal University of Uberlandia, who was president of the entity between 1969 and 1971, during the Medici government.

In the same petty spirit that marked the debate between the government and the scientists, Candotti closed out the week by baptizing with the name "Jaguaribe" a crepe of dubious appearance and taste being sold in the stalls that served food to the conference participants.

## * Lula Views Scandal, Coalitions, Elections

*92SM0537A Sao Paulo EXAME in Portuguese 8 Jul 92 pp 28-30*

[Interview with Workers Party President Luis Inacio da Silva by reporters Antonio Machado de Barros and Maria Luisa Mendes; place and date not given—first paragraph is EXAME introduction]

[Text] No matter what happens to the government, PT [Workers Party] President Luis Inacio Lula da Silva has already decided what side he wants to be on—the outside. "The PT should not participate in any coalition government," Lula said. "Our platform would not permit alliances with the PMDB [Brazilian Democratic Movement Party]." Two and a half years after having lost the presidential election, Lula looks the same, although he thinks he has gotten a little thinner. The weight loss may be the result of a diet he started recently that, he says, has made him give up smoking and drinking at age 46. Although he would deny it if asked, at least in rhetoric Lula is much further to the left than is his party's federal congressional delegation. It is even suspected that what he says for publication is intended for consumption at the grass-roots level, not to reveal what he is actually thinking. Perhaps it would be prudent not to conclude from a reading of Lula's opinions that the PT still advocates the same kind of leftism as it did in the 1989 campaign. According to one PT federal deputy, at least half the party is in favor of a modernization of ideas. That supposedly would include support, albeit with reservations, for privatization and opening up the economy. In the middle of the bonfire of tension and speculation that has swept the country in recent days, Lula gave the following interview to reporters Antonio Machado de Barros and Maria Luisa Mendes:

[EXAME] Was President Collor's speech convincing?

[Lula] He convinced me that he has more gall than anyone in this country. If his intentions had been honorable, he would have taken leave from the presidency until the investigations are finished. Given his refusal to resign, impeachment [preceding word in English throughout interview] is the only way out.

[EXAME] Would the PT participate in a coalition government if one were created following the ungovernability of the Collor administration?

[Lula] No. The PT does not have to participate in any government. What it has to do is make sure the Constitution is observed: If the president is prevented from serving, the vice president assumes office, and if the vice president cannot serve, the speaker of the Chamber takes over and elections are held within 90 days.

[EXAME] But, if invited, would the PT participate in a coalition government?

[Lula] That is a question the party has not discussed yet. My opinion is that it would be incompatible with our platform for us to sit down to govern at the same table as

the PFL [Liberal Front Party], PTB [Brazilian Labor Party], and PDS [Social Democratic Party].

[EXAME] And in a left-of-center coalition that had the PMDB as its center and in which the PSDB [Brazilian Social Democracy Party] were taking part, would you participate?

[Lula] Our possibility for alliances goes as far as the PDT [Democratic Workers Party]. It would not stretch as far as the PMDB, which, in my opinion, is more right-of-center. The problem is that the PMDB is very heterogenous. There are people from the right in it, too—some governors, for example. It would be very hard for the PT to forge an alliance of governability with the PMDB, although we could work together in Congress to approve a bill now and then.

[EXAME] You would not participate in a transition government that was willing to adopt some of the points advocated by your party? If there were a commitment to redistribute income, for example, you would not change your opinion?

[Lula] I do not need to participate in any government in order to approve reforms in favor of the working class, wherever those reform ideas might come from. Ever since this party was founded, the PT delegation has approached things this way. If the passage of a bill could have benefits for this country, it would not matter whether it came from the PMDB, the PC do B [Communist Party of Brazil], or the PDS.

[EXAME] Would you ally with the PMDB in order to advance the date of presidential elections?

[Lula] I would not rule out the possibility of the PT approving an earlier election date. It would all depend on the evolution of the political crisis. At the moment, what I am saying is that the Constitution must be observed.

[EXAME] Are you a candidate for president?

[Lula] I do not know yet, especially because no one knows whether we will have a parliamentary or presidential system of government following the April plebiscite. As far as I am concerned, I think we will have a parliamentary system, with mixed voting [voto misto]. Although I do not have any illusions that it will be our lifeboat, parliamentarism is a more democratic system. We simply cannot forget that unless there is a change in Brazilian politicians in general, no regime will have a chance to turn out right.

[EXAME] Aren't you really afraid of the danger of participating in a government that might reproduce the same circumstances that undermined the Collor administration?

[Lula] Not only because of that, but because we believe the plan we want to implement is incompatible with certain political alliances.

[EXAME] What plan is that?

[Lula] We advocate suspension of payments on the foreign debt so that the money we are now sending to the creditors could be used to create a development fund. Out of that fund would come investments for education, health, and transportation so that we could jump start economic growth. There is no possibility of development as long as the country insists on paying its external debt. Our agriculture has not expanded by a single square meter in terms of area planted, when in fact we need to harvest twice what we grow today in order to have a strong agricultural sector. As for industry, we need a plan that would give priority to developing industries that make consumer goods for the common people. But if they are to be economically viable industries, they have to be modern. And how are we going to achieve industrial development without investment in research and technology?

[EXAME] So what does business have to gain by voting for you?

[Lula] What did it gain by voting for Collor? During the presidential campaign, FIESP [Sao Paulo State Federation of Industries] President Mario Amato said that 800,000 businessmen would leave Brazil if I were to become president. Under Collor, those who did not flee went bankrupt. With me, for the first time they would have an honest president, who is committed from the outset to making this country a great country. But there is a portion of the elite that is corrupt and likes presidents like Collor. Those are the businessmen who are heavily dependent on the state and looking for loans and concessions.

[EXAME] Do you think the business elites have paid a pretty high price for the choice they made in 1989, when they were frightened by a candidate of working class and leftist origin?

[Lula] They are paying a high price, and will again. When I said during the campaign that most Brazilian businessmen are backward, that was because Brazilian capitalism is, in reality, precapitalist. The Brazilian business community has not kept up with the progress made by capitalism in the rest of the world. It still does not understand that the corporation has a social function and that risk is part of the business. They do not even talk about the relationship between labor and capital. Any foreigner who comes here and finds out what our situation really is like will say that we need to have a development policy under which business pays the workers a reasonable wage so that the workers can increase their purchasing power, thereby creating markets, more employment, and more markets. That is the logic behind the capitalist system. Instead, our businessmen have chosen to lie and not take things seriously. I hope what happened with the Collor government has taught these people a lesson.

[EXAME] Hasn't the Collor administration produced anything good?

[Lula] At times, the government touched on the right points, but with the wrong proposals. That was what happened in the case of the fiscal adjustment. The PT also proposed a fiscal adjustment, but we wanted it to include taxes on large fortunes and inheritances. And, along with the tax reform, we need to find ways to make people pay the taxes that have already been enacted. When the president of the largest federation of industries in the country and the government's deputy leader state publicly that they evade payment of taxes and nothing happens, this shows that the people who said this country cannot be taken seriously were right. A government that loses the equivalent of 12 percent of its GDP because of tax evasion and lacks the tools for collecting it has no moral basis for talking about a fiscal adjustment.

[EXAME] Did the government do the right thing by opening up the economy?

[Lula] No one in the PT is opposed to foreign capital. The question is, who benefits from this opening of the borders if we cannot compete in terms of technology and productivity? We are not on an equal footing with Europe and the Japanese. I am just as big as Mike Tyson, but I would not last three seconds in the ring with him.

[EXAME] But don't you think that as long as they are not forced to compete, this country's businessmen will continue to supply Brazilian consumers with high-priced goods of poor quality?

[Lula] The opening of the economy must take place, yes, but gradually. The best thing would be to establish a deadline within which companies must achieve a minimum standard of development and then start opening things up. What occurred was quite different. In the name of some sort of neoliberal theory we started importing products all of a sudden, from one day to the next. The results were shutdowns of Brazilian factories and unemployment. People who until recently had jobs—and were even "on the books"—are now living under the overpasses. In the past two years, unemployment has risen to 6.5 million people. In some sectors, this country would need a market reserve until the industry gets on its feet. It would not be like our experience with the computer industry, which, unfortunately, was not handled in the best way. There would have to be a development plan that included investments in research.

[EXAME] And who would do it best—the private sector or the state?

[Lula] Both. Instead of spending money on unnecessary projects like those nuclear power plants, the state could have invested in improving the universities and the agricultural sector. Brazilian private enterprise does not invest in research. The Brazilian business community has become accustomed to criticizing the state. This makes me mad, because anyone who took the time to think about it would see that no one has more power to give orders in this government than the businessmen have. There is a lot of hypocrisy in the air. The government has an obligation to invest in basic sanitation, health, education, and other aspects that translate into a better quality of life for its people. In Brazil, the state has institutionalized misery. It is not the government's job to build houses and hand out food baskets, but to create the conditions under which each individual has the money to buy a house and food.

[EXAME] Was it the government's job to work in areas that could have been left in the hands of private enterprise? Did the Collor government do the right thing with the privatization process?

[Lula] The privatization process carried out by the Collor government is suicidal. Profitable companies were sold off for nothing. Of the $2 billion it has taken in so far from privatization, less than $30 million was in the form of securities that are worth anything.

[EXAME] Is it wrong to privatize, or is it wrong to accept eroded currencies as payment?

[Lula] Both. We advocate privatization only of that which is outside the role of the state. The petrochemicals area, for example, should remain in the hands of the state, given its strategic value. And in those areas where the state should withdraw, we should give the people the chance to demonstrate their ability to manage them. The same elite that failed to properly manage the companies when they belonged to the state are the ones who are managing them now that they have gone private. So how can you say in advance that it is the state that does not know how to manage companies, if we never were a state? The process of privatization must be suspended.

[EXAME] But there does not seem to be a consensus on this in your party's delegation. Legislators like Aloizio Mercadante, Jose Genoino, and Jose Dirceu do not believe the state should be running corporations.

[Lula] That is not the PT position. The party believes the state must continue its role in sectors that are considered strategic. What is still being determined is which sectors are strategic. For example, I think the steel industry should remain in the hands of the state, but Mercadante does not think so. To some people, agrarian reform is no longer an important cause, but I think it gets more vital every day.

[EXAME] Has the party already decided whether the better living conditions to which the working class aspires will be achieved within or outside the capitalist regime?

[Lula] The problem is that here in Brazil we are still living under prehistoric capitalism. If Brazil were to achieve capitalism, then it would be a success.

[EXAME] If you are as anxious to modernize capitalism as you say you are, why is the business community still afraid of you?

[Lula] Only a stupid, troglodyte businessman rejects the PT. Any businessman with a minimum of intelligence, a minimum of social vision, would not be afraid of the PT coming to power.

[EXAME] Do you feel personally avenged by Collor's misfortunes?

[Lula] No. I do not enjoy dancing on other people's graves. Collor's departure would be good for the country, for business, for everyone. The crooks are the only ones it would not be good for. But I am sad, because after 30 years without voting for a president, the Brazilian people deserved better. Lula would have been a better choice.

### * Quercia Views Fiscal Reform, Franco, Candidacy

*92SM0537B Sao Paulo EXAME in Portuguese 8 Jul 92 pp 32-34*

[Interview with former Sao Paulo Governor Orestes Quercia by reporters Gustavo Camargo and Adriana Salles Gomes; place and date not given—first paragraph is EXAME introduction]

[Text] Former Sao Paulo Governor Orestes Quercia, 53, has returned to the center of the political stage. As president of the PMDB [Brazilian Democratic Movement Party], the party with the largest delegation in Congress, Quercia has spent the past several days discussing the fate of the government of President Fernando Collor de Mello, which is being bombarded with accusations. However the crisis turns out, Quercia is convinced of one thing: "All the political party and elections legislation must be changed," he said. The former governor argues that companies should be able to contribute legally to the parties and believes the presidential elections should be held simultaneously with the elections for governor and the Congress. Quercia is not afraid of being the victim of a counterattack by the government and said that businessman Jose Nunes Lopes, aka "Ze Portugues," is not his PC. "No, he is my partner and friend. He takes care of my personal affairs and business interests," he said. "During my gubernatorial campaign, I was the one who handled this funding business." During this interview with reporters Gustavo Camargo and Adriana Salles Gomes, Quercia said that in his opinion, the Collor administration has made mistakes.

[EXAME] Do you agree that issues such as the opening up of the economy or the need for tax reform have already been irrevocably decided, regardless of the outcome of the present crisis?

[Quercia] They have been decided in theory only. In practice, the administration is not doing a good job of getting them on track. For example, Minister Marcilio Marques Moreira was sworn in 14 months ago and said we needed an economic plan that would include tax reform. But still no such bill has been sent to Congress.

[EXAME] Wouldn't a government in which the PMDB might participate keep the same agenda of economic changes, albeit theoretical, advocated by the Collor government?

[Quercia] We would provide more protection for Brazilian companies.

[EXAME] By doing what? Keeping the market closed?

[Quercia] Perhaps, at least in comparison with the standards of the Collor administration. The problem is not the agenda, but the way of doing things. Look at the patents bill. We are arriving at a solution, in Congress, that will protect the Brazilian companies that have already made investments in the medicines field while at the same time doing what the multinationals want by recognizing pharmaceutical patents. The proposal that came up in the party, which we will fight for, will safeguard the rights of the inventor, but not in an absolute fashion as some people would like.

[EXAME] Doesn't the PMDB support the administration's plan for tax reform?

[Quercia] That reform bill has been under discussion in the press for 60 days, but our party has still not been formally consulted. The governors have been consulted, but not the party. Now, if we were consulted, we would say that we oppose the reduction in state and municipal revenues. Incidentally, I do not believe that tax revenues can be increased without raising taxes.

[EXAME] What do you mean?

[Quercia] The other day, at a lunch with businessman Mario Amato [president of FIESP—Sao Paulo State Federation of Industries], he talked to me about the importance of tax reform, with its expansion of the taxpayer universe. I told him we find it hard to believe that if there were more taxpayers, the tax burden per capita would be lower and the businessmen would be good little boys and stop cheating on their taxes. What could be done immediately is to pass strict criminal laws that would permit jailing those who cheat on their taxes. Amato would not have said what he said on this tax evasion issue if there had been laws like the kind I am speaking of. In order to collect more, it is inevitable that the tax burden will have to be raised or evasion punished. Now this reduction in the number of different taxes that the government wants is not feasible in a year like this one. I am in favor of reducing the number of taxes and expanding the taxpayer base, but as part of a major overhaul of the system, something that would be done over a five-year period.

[EXAME] If the president were to succeed in disentangling himself from the accusations against himself and the administration, do you think he would be able to continue governing?

[Quercia] Personally, I do not believe he could. For example, inflation has a lot of causes. One of them, one of the most important factors, is psychological. What is happening in that area? The government has adopted all the rigid criteria preached by the IMF, has pegged interest rates way up there, has paralyzed business, and yet the inflation rate has not declined—precisely because of this psychological aspect. The public does not believe things will be resolved. If it did, it might rant and rave about how tightly the government is keeping the lid on, but people would still believe it is doing the right thing. The problem is—the government has lost credibility.

[EXAME] What should be done, then?

[Quercia] Only a new government can solve that. If we leave Collor in there, the public will not believe he can accomplish anything. There are a lot of recipes for cutting the inflation rate, but the most important one says that the owner of the corner bar must believe that the inflation rate will fall. If he does not believe that, then even if he cannot sell his wares today, he will continue to mark up his prices.

[EXAME] Could that new government be headed by Vice President Itamar Franco?

[Quercia] I believe so.

[EXAME] Would the PMDB support an Itamar Franco administration, if it came to pass?

[Quercia] If he should assume the presidency, he will have to approach the parties, but I do not know about the PMDB specifically. We have been an opposition party under the Collor administration, but we will not balk at collaborating with any government, evaluating the interests of this country from the party's standpoint. That is something we are already doing.

[EXAME] How do you explain how the government got where it is now, after being in office for less than two and a half years?

[Quercia] It became clear from the outset that President Fernando Collor did not have the ability to administer this country. His appointment of people like Zelia Cardoso de Mello and Rogerio Magri to his cabinet was symptomatic. And the president also lacked political experience: he was mayor of Maceio and only briefly governor of Alagoas, a state he did nothing for. On both occasions, he spent a lot of time traveling. Furthermore, the president does not know, for example, how to get bills through the legislature. He does not talk to the legislators personally, as I did when I was governor.

[EXAME] How did you used to do it?

[Quercia] I used to call up my leader in the Assembly [Sao Paulo State Legislature] and asked him. "Leader, how are things going with this or that bill we sent you?" The leader would then tell me that so-and-so was not doing his part, and so right away I would call up so-and-so and ask him: "What is going on? Why don't you want to pass that bill?" And he would say: "What do you mean? Of course I want to help. There is no problem at all." And I recall that the PMDB did not have a majority in the Assembly, but dealing directly with the deputies always worked. That was how we negotiated with the PTB [Brazilian Labor Party] and the PFL [Liberal Front Party]. Of course we had to negotiate jobs in the administration, that is just part of working with the legislature. If a politician wants a job for someone, sometimes it is better to go ahead and give the darned guy the job. That is the way it is done all over the world, whether in the United States or in Russia, but Collor does not seem to know that.

[EXAME] Didn't the president ever approach the PMDB to try to get bills approved in Congress?

[Quercia] Never.

[EXAME] Not even when you were with the president last year at a dinner at the home of Ambassador Marcos Coimbra?

[Quercia] I was, in fact, with the president about a year ago, when the Big Project was launched. At the time, the government proposals were getting a lot of attention in the media, and we were actually willing to discuss them. But three months passed and nothing happened, because the Congress was simply never approached. So Collor rewrote his package of bills and called them the Super Amendment, but once again, nothing was ever discussed. Another reason why all this is so bad is that it paralyzes the country. Under the PFL that kind of political action improved a little, but Secretary Jorge Bornhausen is not accomplishing very much.

[EXAME] By undertaking the ministerial reform this year, didn't the president correct the problems he had with the parties that support him?

[Quercia] He tried, but it was already too late. It was sort of like the return of the prodigal son when he called on important figures from the old UDN [National Democratic Union], which was his father's party. But the mistakes made during the first phase of his administration have now come back to haunt him, starting with his brother's accusations.

[EXAME] Aren't the kinds of mistakes denounced by Pedro Collor the same as almost all politicians make?

[Quercia] No. PC [Paulo Cesar Farias] is a "collorida" invention. Of course there are people who are assigned to raise election campaign funds, but they do not keep collecting money later, after the elected government has taken office. Only in the Collor government is there anyone at all like this PC.

[EXAME] But businessman Jose Nunes Lopes, aka "Ze Portugues," isn't he your PC?

[Quercia] No. He is my partner and friend; he takes care of my personal affairs and business interests.

[EXAME] And so "Ze Portugues" is your equivalent of Ana Acioli, the president's private secretary, whom people say was paying the expenses of Casa da Dinda with money from PC?

[Quercia] No, that is not right either. During my gubernatorial campaign, I was the one who handled this funding business. I talked to people. I telephoned people; I asked for certain things, and then I sent someone to get them. I had tremendous problems in my campaign because I was running against two paupers, Antonio Ermirio and Maluf. Furthermore, the state government had instructed the contractors not to give me money.

[EXAME] So it was a disaster?

[Quercia] Well, things got easier when I started to climb in the polls.

[EXAME] And how did you keep account of all those funds? Did you use a second set of books?

[Quercia] If someone has enough time and curiosity, all they have to do is check a statement I made to FOLHA DE SAO PAULO back in 1986 on this subject. I said that everyone lies when explaining the sources of campaign funds. So I am not saying anything new. At the time, I said this subject needs to be better regulated, because all candidates lie about it. We need to moralize it, and the PMDB is working toward that end.

[EXAME] What does the PMDB suggest?

[Quercia] All the elections and political party laws need to be changed. In the first place, parties obtaining less than 5 percent of the vote in national elections should not have access to free radio and TV airtime. Furthermore, we have to allow companies and organizations to make donations to the parties. Today, only individuals can give money. At the same time, the legislation should provide official funding to support the parties so they can maintain permanent headquarters and give political training courses, etc. Finally, the presidential elections should be held along with the elections for governors, mayors, deputies, and senators. That would have prevented the tiny PRN [National Reconstruction Party] from putting Collor into power the way it did. I believe that to make it feasible to hold all the elections on the same day, the presidential term should be four years, and he should be allowed to run for reelection.

[EXAME] When will you announce your candidacy for president of Brazil?

[Quercia] Not until after the plebiscite on the system of government, which is to be held in April, if not sooner. If it were up to Dr. Ulysses [Guimaraes], the plebiscite would be held this year. I will campaign for the presidential system and join with Brizola for that common cause.

[EXAME] If the parliamentary system wins, will you be a candidate for prime minister?

[Quercia] I am a politician. Depending on the circumstances, I would. I did not want to be president of the party, but I ended up here because there were people who wanted to get Ulysses out of this job and thought I was the only one who could take over from him. Now, I might also be a candidate for governor of the state or run for a seat in the Chamber. It all depends on the circumstances.

[EXAME] Don't you think the accusations against some of your former aides, like Antonio Sergio Fernandes of the Metro system or Alfredo Almeida Jr. of Eletropaulo [Sao Paulo Electric Power Company, Inc.] might compromise a possible candidacy?

[Quercia] Of course I am not happy about them, but neither am I judging them. When this fever of charges subsides, the courts will say whether or not these men are guilty. The fact is that they did not do anything while they were in charge of the Metro or of Eletropaulo. The Court of Auditors approved everything. What happened, and this is true, was that their income tax returns were checked after they left the government. That is something else. I do not know where those funds they used to buy property came from. But there is no proof of improprieties in the government.

[EXAME] You also left the legacy of the Baneser case, the entity used to hire people, many of them with ties to politicians, isn't that true?

[Quercia] During my term of office we adapted the Baneser, which already existed, in order to hire manpower for the companies. That is correct, and it is a good use of Baneser. What is being debated now is whether Governor Fleury can assign a person from Baneser to conduct investigations. So that is a different matter. But the government really has to have information. How it obtains the information is up to each government.

[EXAME] Did you also have your staff of spies?

[Quercia] Not me. I found out what was going on in each region by talking with the mayors.

## Commentary on Replacement of Goldemberg

*PY0408185092 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 4 Aug 92*

[Commentary by Alexandre Garcia]

[Text] The appointment of PFL [Liberal Front Party] Secretary General Eraldo Tinoco as the new education minister might influence the consequences of the results of the CPI's [Congressional Investigating Committee] investigations. The thing is that the PFL leadership has now decided to fully support the government in Congress. The PFL leadership believes the government has changed after getting rid of [former presidential secretary] Claudio Vieira, [former presidential spokesman] Claudio Humberto, [former Regional Development Secretary] Egberto Batista, [former Social Action Minister] Margarida Procopio, [former Health Minister] Alceni Guerra, and [former Social Welfare Minister] Antonio Rogerio Magri, and that it also might have gotten rid of PC [Paulo Cesar] Farias. The PFL leadership also believes that the country's modernization policy is much more important than the initial mistakes the president might have made.

The PFL leadership is making its calculations, and has come to the conclusion that together with other parties it represents 252 votes for the president in the Chamber of Deputies. This represents an absolute majority in the Chamber of Deputies and makes it quite unlikely that the necessary two-thirds to approve a request for the president's impeachment will be reached.

Moreover, the government's economic and political teams have stated that they are trying to conciliate what Minister Marcilio Marquez Moreira calls legitimate political aspirations, legitimate political demands, that is, with the austerity policy. They are assessing this

proposal to determine its cost, they will inform the president what cost it will have, and will approve any policy that might be implemented by the president.

Furthermore, a few minutes ago Central Bank Chairman Francisco Gros said he will approve any decision the president may make and that the rumors of his resignation are groundless.

## Colombia

### De la Calle Named Presidential Designate

*PA0508134092 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 4 Aug 92*

[Text] The political news of the day in Colombia is undoubtedly the election, for the last time, of the presidential designate.

Raul Gutierrez is at Congress and, as expected, there were no surprises.

[Gutierrez] There could have been no surprises. Government Minister Humberto de la Calle Lombana was elected by Congress at a plenary session as the new presidential designate.

De la Calle had been the candidate of President Cesar Gaviria and the Liberal Party majority for some time.

The congressmen issued 94 votes in favor and 19 against Humberto de la Calle's appointment as presidential designate. Some wanted to vote for different candidates and went as far as to nominate Finance Minister Rudolf Hommes.

[Begin unidentified congressman recording] We did not want this to be understood as an imposition because the board of Liberal congressmen should be as independent as the Colombian Congress. [end recording]

Others said they had apprehensions concerning the government minister and, thus, will debate the appointment.

[Begin second unidentified congressman recording] I cannot be with God and the devil at the same time. I have ethical, political, and moral doubts regarding the government minister and I have requested a debate, which has been delayed for four or five months. [end recording]

After Humberto de la Calle was elected, a legal debate came up regarding whether or not it was legal for the Congress to have elected him on 4 August. Some argued that the Constitution establishes that the election can only be held once the term of current presidential designate Luis Fernando Jaramillo expires; that is 7 August.

The presidential designate, who is elected for a two-year term, will be the acting president in the temporary or definitive absence of the President of the Republic. De la Calle will be the presidential designate until 7 August 1994, and in accordance with the new Constitution, vice presidents will be elected from then on.

### U.S. Overflights To Search for Escobar Endorsed

*PA0508032392 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 4 Aug 92*

[Text] The Council of State on 4 August endorsed the government decision to request help from the United States to search for Pablo Escobar.

After reviewing the manner in which the operation involving U.S. overflights of the Aburra valley was carried out, the Council of State decided that the Constitution had not been violated.

One day after the overflights, since the members of the Council of State were worried about the possible presence of foreign troops or airplanes on Colombian territory, Alvaro Lecompte, president of the Council of State, stated that the government should have asked for their permission before staging the operation.

### Escobar Refuge Reportedly Located

*PA0508021992 Mexico City NOTIMEX in Spanish 0047 GMT 5 Aug 92*

[Text] Santa Fe de Bogota, 4 Aug (NOTIMEX)—A television newscast reported here today that the fleet of U.S. planes that participated in the search for drug trafficker Pablo Escobar were able to locate the Medellin Cartel chief's refuge.

The "1900 Newscast," quoting confidential sources, reported that "the U.S. mission ended today after they located the area where Escobar has been hiding" following his escape on 22 July.

According to the reporters, the planes returned to their bases in the United States because they fulfilled their objective of locating Escobar in the Magdalena area by using their sophisticated radar.

President Cesar Gaviria's government announced on 4 August the end of the tasks undertaken by the U.S. planes, without stating the results of the operation which started on 29 July in Medellin and its surrounding areas.

The newscast reported that the military forces participating in the operation have not surrounded Escobar's refuge because the government has granted the drug trafficker a chance to surrender for a second time.

From hiding, Escobar today denied responsibility for the bomb that exploded in Medellin and reiterated his willingness to turn himself in to the Colombian justice system in exchange for a secure prison and the promise that the police will not participate in the jail's surveillance.

The Medellin Cartel chief released a communique insisting that the jail be located in northwestern Antioquia Department, where, according to the newscast, Escobar has been located.

### Medellin Official on Escobar Contact

*PA0408184092 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 4 Aug 92*

[Interview with Medellin Metro Director Fernando Correa by Dario Arizmendi in the studio—live]

[Excerpt] [Arizmendi] The 1 August issue of EL ESPECTADOR reported that President Cesar Gaviria had authorized Medellin Metro Director Fernando Correa to receive messages and information from the lawyers of drug trafficker Pablo Escobar Gaviria. Is that true, Dr. Correa?

[Correa] I must first explain that I did not at any time act on my own. I received a telephone call approximately 10 days ago from former presidential adviser Dr. Gilberto Echeverri, who asked me to call the Presidential Palace. They told or asked me to receive information or forward it. That is as far as my involvement went.

[Arizmendi] Did Echeverri tell you what this was all about? Why did you have to contact the Presidential Palace?

[Correa] Yes, he told me it was something related to.... [pauses] he did not go into detail, but told me to contact the Presidential Palace. I think he did not know all of the details. I repeat: I received the message from Escobar Gaviria's lawyers and immediately forwarded it to the Presidential Palace.

[Arizmendi] Do you know if Echeverri was contacted by Escobar Gaviria's lawyers.

[Correa] No. As far as I understand it, they did not contact him. The contact was established through a telephone call from the lawyers to reporter Marisabel Ruedas. She then called the Presidential Palace, and the officials there asked for someone trustworthy to receive the information. My name came up and, I repeat, I received the information and forwarded it to the Presidential Palace.

[Arizmendi] What precise instructions did President Gaviria give you for receiving the information?

[Correa] This was a very simple matter. He simply told me Pablo Escobar Gaviria's lawyers were meeting and he asked me to please go to the home of Guido Parra [Escobar's lawyer]. I did. I received the information, and I immediately forwarded it.

[Arizmendi] Did you talk to Pablo Escobar Gaviria on a radiotelephone or cellular telephone while you were in Guido Parra's home?

[Correa] Yes, I did.

[Arizmendi] How did the conversation go?

[Correa] I really did not talk to him; it was the other way around. He basically confirmed the points his lawyers had handed me to be forwarded to the president and provided further explanation of the reasons for some of those points.

[Arizmendi] Did you then inform the Presidential Palace about the conversation and the requests made by Escobar Gaviria's lawyers?

[Correa] I forwarded the information given to me by Escobar Gaviria's lawyers. I did not deem it necessary to report on the conversation, because it reiterated what the lawyers were requesting.

[Arizmendi] After that first meeting with those lawyers, have there been any other contacts or communications?

[Correa] Not at all. The following day, as you know well, a communique was issued listing the requests and announcing the government stand on the matter. I was immediately relieved of this responsibility.

[Arizmendi] Why do you think President Gaviria chose you to hold this meeting and receive the information?

[Correa] I suppose Gilberto Echeverri was asked or someone suggested to him the name of a person who could be trusted. Gilberto Echeverri mentioned my name, because he knows me very well. I worked for his team, as you well know. Even though I was chosen, 4,000 or 5,000 other people in Medellin could have been chosen.

[Arizmendi] Several events, however, took place after you carried out this mission. Gilberto Echeverri resigned, and his reasons for doing so are not fully known. The presidency of the Republic issued a communique, and it does not state clearly that your cooperation was requested. The governor of Antioquia Department stated that the president of the Republic, and not he, had asked you to carry out this quote errand unquote. Have things gotten mixed up in the end, Dr. Correa?

[Correa] No. It is a matter of how things are interpreted. I want to be perfectly clear. The only thing Dr. Gilberto Echeverri did was to recommend me for this task. He had practically nothing to do with the task. The day after I met with the lawyer, Echeverri called me and said the communique had been prepared and that the presidency was relieving me from this matter. Also, as you well know, Echeverri resigned to take a very important job with cellular telephones. His retirement had been prearranged.

[Arizmendi] Would you say that a person who becomes involved in the Pablo Escobar case these days will be stigmatized and condemned by the people? Could it be that public opinion does not want the government to hold talks or negotiate with Pablo Escobar again?

[Correa] Well, I really do not know. I believe many persons know of my past work and behavior. I do not see why there should be any doubt about me. I do want to state clearly that I believe a citizen should agree to carry out a task that is requested by the presidency and that will help the country. I believe this and, thus, did so willingly.

[Arizmendi] Would you do it again if the president requested it?

[Correa] Look, Dario, I do not know if he would ask me to do it again. [chuckles] I believe we should always be willing to help the president, because by doing so we are also serving the country and my region. Thus, I would not be opposed to helping him again, as no problems will arise if you act correctly and honestly.

[Arizmendi] Two questions in one: Did Escobar call or was he called when you visited Dr. Guido Parra? Also, when you talked to Escobar—the talk in which you say you only heard him and he did all the talking—how did Escobar sound? Was he cutting, demanding, or moderate?

[Correa] It seemed like a perfectly normal conversation. He reiterated his viewpoints.... [pauses] No, not really. I had never talked to him before, so I cannot truly say how he felt at that time. [passage omitted]

### End to U.S. Overflights Announced

*PA0408175492 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1600 GMT 4 Aug 92*

[Report by Monica Echeverry]

[Text] The government has just informed us that for the time being there will be no more overflights of U.S. planes in Medellin and Envigado. The statement was made by Foreign Minister Noemi Sanin.

The U.S. Government has ended search operations aimed at locating drug trafficker Pablo Escobar Gaviria; therefore, there will be no more overflights by foreign planes over Colombian territory, according to Foreign Minister Noemi Sanin, who has just confirmed this information.

[Begin Sanin recording] The operation has already been concluded. [end recording]

The minister added that the international community does not understand the circumstances surrounding the escape of Medellin Cartel leader Escobar Gaviria. She said authorities are on the lookout for his possible surrender.

Sanin also said the Administrative Department of Security found out about a Foreign Ministry official's involvement in the sale of books containing cocaine at the Colombian Consulate in Milan, Italy. The official is currently under arrest.

In addition, Sanin said the meeting between President Cesar Gaviria and Venezuelan President Carlos Andres Perez will take place in San Cristobal, Venezuela, on 6 August. They will reach an agreement on technical foreign trade norms as well as on the necessary documents to import and export goods between both countries.

### Car Bomb in Medellin Shopping Center Injures 6

*PA0408164992 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 4 Aug 92*

[Text] This is a last-minute report. A car bomb has just exploded on a downtown avenue in Medellin. A powerful dynamite charge placed in an automobile exploded just before noon in the parking lot of the Monterrey shopping center on Avenida de los Industriales in southern Medellin.

The explosion left six people injured, 12 vehicles destroyed, and several businesses damaged. The loud noise caused by the explosion was heard in a large part of the southeastern section of the capital of Antioquia.

### Pablo Escobar Denies Responsibility

*PA0408215692 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2108 GMT 4 Aug 92*

[Text] Pablo Escobar Gaviria has denied any responsibility in the car bomb attack that occurred around noon at El Poblado injuring eight persons. A recording of Escobar's voice was heard reading a communique blaming the Rodriguez Orejuela brothers, heads of the so-called Medellin Cartel [as heard], for the action. Here is the text of Escobar's communique:

Pablo Escobar Gaviria and his comrades state the following to the public:

1. A car bomb was detonated on 4 August [words indistinct].

2. My brother, Roberto Escobar, and I publicly promised the people of Antioquia and Colombia we would carry out no violent actions whatsoever, and the promise has not been broken.

3. Gilberto Rodriguez Orejuela is the leader of disinformation. He is the author of the false communiques from the Extraditables. He is the creator of Caliche and he is responsible for the attack.

4. We know the people believe us because we have never lied to them.

5. The prosecutor general's good faith has been abused with false information, false testimonies, and perverse stories based on fantasy.

6. If the government guarantees us a prison in Antioquia we will continue with the process of surrendering ourselves to justice, which was only interrupted by [words indistinct].

[Issued] Colombia, 4 August 1992.

### Peace Adviser Calls Regional Talks 'Mistake'

*PA0308184392 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 3 Aug 92*

[Text] Peace Adviser Horacio Serpa Uribe stated a few minutes ago that the idea of holding regional talks with the guerrillas is a mistake. Despite this, several departments are pushing for regional talks.

### Guerrillas Reportedly Trafficking in Gold, Drugs

*PA0308144792 Santa Fe de Bogota EL TIEMPO in Spanish 31 Jul 92 p 3A*

[Excerpts] When 1,500 men of the 2d Mobile Brigade went from northeastern Antioquia Department to the rugged terrain of Serrania de San Lucas, many of them were surprised at what they saw there.

The ELN [Army of National Liberation] and the FARC [Revolutionary Armed Forces of Colombia] are making huge sums of money, not only by protecting the coca plantations and charging an "acreage tax," but by lining their pockets with a sizable profit from the gold produced in the area.

According to official estimates, the ELN gets at least 6 billion pesos per year from "gold royalties." [passage omitted]

Brigadier General Fernando Tapias Stahelin, commander of the 2d Mobile Brigade said, "The ELN and the FARC no longer speak of ideologies. They now speak of finances. They do not have political goals. They are committed fully to banditry, they are out to get money. They are simply a mafia." [passage omitted]

Tapias added: "The subversive groups, especially the ELN, are now dedicated to piracy on land. They now steal refrigerators, motorcycles, cars, and foodstuffs. They want to turn the Pan American Highway into happy hunting grounds. They have become highwaymen, eager for money."

Gold and coca are the way of life in Serrania de San Lucas. Although many people do not know it, Bolivar Department is the country's second largest gold producer. There is no God or law in the jungles. Thousands of men from all over the country have gone there to exploit the gold mines.

According to official figures, the area produces 230,000 troy ounces per year, worth about 60 billion pesos.

Gen. Tapias stated: "The ELN keeps at least 20 percent of the profits, about 12 billion pesos—a huge sum. Some of that money is used to buy weapons and other items, but where does the rest of the money go?" [passage omitted]

Meanwhile, coca plantations have increased, especially along Quebrada la Honda.

Tapias says, "Although there is no specific information on how the groups split their activities, the ELN is more involved with gold and the FARC is more involved with coca."

### Electricity Rationing Reduced in Cities

*PA0508171592*

[Editorial Report] Santa Fe de Bogota Inravision Television Cadena 1 in Spanish in its 1630 GMT newscast on 4 August broadcasts five minutes of reports on electricity rationing in the country's largest cities.

At 1633 GMT the station reports: "The Colombian Electrical Energy Institute and Electrical Interconnection Inc. have confirmed that the rationing schedule will be reduced throughout the country. The reduction will be from 45 to 60 minutes." It adds that the reduction in the rationing schedule has already begun in the Atlantic coast, Tolima, Caldas regions, and in Santa Fe de Bogota.

In a report from a correspondent in Cartagena, the station indicates that everything is ready for the arrival in the next few days of two electricity generating barges. The correspondent reports that "beginning on 3 August, electricity rationing in the Atlantic coast region was reduced by 25 percent to 30 percent. This represents approximately three hours."

At 1635 GMT the station reports that "the people of Barranquilla are very happy because electricity rationing was reduced by two hours on 3 August." It adds: "The Atlantico Electric Power Company has announced that the power outages in Barranquilla will last a minimum of two to five hours. This is a big reduction in the previous eight-hour rationing schedule."

At 1636 GMT the station reports that the people of Manizales, Armenia, and Pereira, capitals of three coffee-producing departments, are enjoying fewer electricity rationing hours. It adds that rationing was cut by one hour, and now lasts from 0700 to 1200 in Manizales and Armenia, while in Pereira rationing lasts only three hours. The station explains that rationing has been reduced because the water level has risen at various dams.

At 1637 GMT a correspondent in Cali reports that the situation is different there, where evening rationing has been reestablished. She adds: "Beginning on 4 August, five circuits at the Juanchito substation will be without power until 2100. This will effect 250,000 residents, mostly from the Agua Blanca district, one of the poorest areas of Cali. There was an overload at the Juanchito substation, which supplies electricity to 200 neighborhoods."

### Power Situation Improves in Atlantico

*PA0308223092 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 3 Aug 92*

[Text] Orders have been issued in Barranquilla to reduce the rationing of electricity, while in Santa Marta power will be rationed even on Sundays.

Inasmuch as the water level at the Chigorodo reservoir has improved, the people of Barraquilla were pleasantly surprised on 3 August to learn they now have two hours less rationing. Studies are under way to determine if the good news will continue. The reduction of rationing observed today in Barranquilla is being analyzed to learn if this reduction will continue to be implemented.

On the other hand, Atlantico Department is reaching its level of energy savings and all steps have been taken to replace the energy.

[Begin Carlos Conte, Atlantico Public Utilities Institute manager, recording] With these measures and with the installation of new thermal plants we believe that in a very short time we will shorten the rationing plans. [end recording]

With the arrival of the electricity generating barges that will bring us power, the network links with Venezuela, the repair of the thermal plants, and the improvements in the reservoirs, Atlantico Department will soon emerge from darkness.

It was announced officially that on the week beginning 9 August, the rationing of electricity throughout Atlantico Department will be reduced by 45 minutes. The electricity generating barges will arrive on 8 August in Cartagena.

### Inflation Rate Rises Over Past 7 Months

*PA0308215392 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 3 Aug 92*

[Report by Monica Echeverri]

[Text] The high cost of living, which rose almost 2 percent in July, continues to be the cause of shortages. The drought, the delay in some harvests, and even the lack of an agricultural and livestock policy will be to blame for making this year much more expensive than 1991. In the past seven months, the cost of living rose to 22.12 percent, whereas one year ago it was 18.68 percent. The government had pledged shortages would not exceed 22 percent in 1992.

[Begin recording] [Echevarri] How is the price of meat doing? Is it still having a big impact on the cost of living, as in previous months?

[Rodolfo Uribe, National Administrative Department of Statistics director] It has stopped. In previous months, it rose above 6 percent, but in July it went up only 2 percent. The price of poultry was higher than beef. [end recording]

[Echebarri] Although rains brought down the prices of some products, such as potatoes, vegetables, and fruits, and although the upward trend in the price of meat stopped, consumers are still feeling the impact of the shortages when they go shopping.

[Begin recording of unidentified woman] A squash used to cost 100 pesos. Look at the price now. One comes with 200 pesos, but everything, even the smallest thing, costs 200 pesos. [end recording]

As always, the poorest are the hardest hit by the situation, since their basic food products, potato, cassava, and rice, have gone up the most. The fact is that the projected inflation rate of 22 percent is now just a dream.

### Presidential Adviser for Social Policy Resigns

*PA3107183792 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 31 Jul 92*

[Report by Guillermo Gonzalez]

[Text] The resignation of one of the most important and closest advisers of President Gaviria has just been confirmed. Gilberto Echeverri Mejia, presidential adviser and former minister from Antioquia, has resigned. The resignation is due apparently to his future links to a private cellular telephone company.

[Begin Guillermo Gonzalez recording] It was learned on 31 July that Gilberto Echeverri Mejia, presidential adviser for social policy, has resigned. The reasons for his resignation are unknown. The former minister and former Antioquia governor has been presidential adviser since 13 January. It was learned at Narino Palace that Echeverri Mejia presented his resignation to President Gaviria privately. The text of the resignation has yet to be released. The name of Echeverri Mejia's replacement is unknown.

Echeverri Mejia, an electrical engineer, is a well-known industrialist born in Rionegro, Antioquia Department. He has also been Colombian ambassador. He is the author of several books on financial, electrical, and industrial topics. [end recording]

## Ecuador

### Borja Approves Reform to Political Parties Law

*PA0308161392 Quito Voz de los Andes in Spanish 1130 GMT 3 Aug 92*

[Text] President Rodrigo Borja has approved the reforms to the Political Parties Law, which establishes new regulations for the legal existence of the parties based on a specific electoral quotient that must be obtained in two successive slate elections nationwide.

Paragraph C of Article 37 of the aforesaid law outlines the causes for withdrawing legal recognition of political parties. This provision establishes that if a quotient of at least 0.04 percent of the valid votes cast in each of the

two successive slate elections nationwide is not obtained, the parties will cease to be recognized by law. That quotient is obtained by dividing the total number of valid votes by the number of voters in each slate election.

The aforesaid reform is complemented with the modification established by Paragraph 2 of Article 39 of the same law, which states: To calculate the electoral quotient referred to by Paragraph C of Article 37, only the elections for provincial deputies, provincial counselors [consejeros provinciales], and canton councilmen will be taken into consideration. All votes obtained by the party nationwide will be added to determine the electoral quotient. The result will be divided by the total sum of valid votes cast in the nationwide slate elections. A political party that does not obtain 0.04 percent quotient will no longer be legally recognized.

Finally, in Paragraph 3 of Article 59 of the same law, which was reformed in July 1986, the phrase 5 percent is replaced by the quotient of 0.04 percent.

## President-Elect Views Spain, U.S. Visits

*PA0408194492 Quito Voz de los Andes in Spanish 1130 GMT 4 Aug 92*

[Report by Francisco Sanchez]

[Text] After arriving in Quito following his visit to the United States and Spain, President-elect Sixto Duran Ballen highlighted the contacts he made with authorities in the aforementioned countries and representatives of international credit institutions—World Bank, IMF and Inter-American Development Bank [IDB]. Commenting on his nine-day tour, Duran Ballen stressed that progress has been made that might have otherwise taken weeks.

[Begin Duran Ballen recording] As you all know, in Washington we visited President Bush and the international financial organizations. In Spain, we visited the king, the prime minister, and various ministers and authorities.

In Washington, it was very gratifying to see President Bush, whom I have known for nearly three decades, again. I met him when I lived and worked at the IDB in Washington. We had a very cordial friend-to-friend meeting with the U.S. President, but not only in the personal sense. I could see that he is genuinely concerned with the problems of Ecuador and that his government is willing to help us in the process of social and economic development I proposed.

This was also reflected in the interviews I had with various State Department and AID officials in that country. Concerning the meetings with World Bank, IMF, and IDB officials, we discussed the financial and economic situation in the country. We suggested a more expeditious use of the existing credits, many of which have been frozen. We talked about opening new lines of credit exclusively for development projects. Some institutions will send missions to the country within the next few weeks.

A similar situation existed in Spain. We received great shows of appreciation. Following the summit of Ibero-American presidents, we were treated as if we were participants.

The king was generous enough to come from Barcelona to meet with me before returning to watch the prince in the sailing competition at the Olympic Games. In addition, both the king and Prime Minister Gonzalez proved to me that they know the country very well. They voiced their interest in learning our problems and being informed of the progress of different credits. They also made statements favoring the best use of the sums of money included in the existing protocol. They promised to send a mission of Spanish Government and development institution officials, probably in late September, as well as a mission of private entrepreneurs. We talked with various investors who are currently interested in investing in our country. [end recording]

President-elect Sixto Duran Ballen highlighted the contacts he made with U.S. and Spanish authorities as well as representatives of international credit organizations—World Bank, IMF, and IDB.

## Reyes Torres Denies Drug Trafficking Charges

*PA3107192192 Quito Voz de los Andes in Spanish 1130 GMT 31 Jul 92*

[Text] Looking emaciated and speaking sparingly, Ecuadoran drug baron Jorge Reyes Torres on 30 July met the local press. The ringleader, who has been under arrest for 42 days, spoke for 20 minutes with reporters at the Garcia Moreno Penitentiary, where he was taken on 24 July.

Wearing a blue and grey jogging suit, Reyes Torres denied the drug trafficking charges against him. He also flatly denied ordering the murder of Ivan Martinez Vela, former president of the Quito Superior Court. I had no reason for adopting such a decision, he said, adding that Mauricio Hernandez, the alleged lawyer of the drug trafficking organization, knows about the whole case.

Reyes Torres claimed his wealth is the result of the work he has done for 40 years, and that he has never engaged in any illegal businesses. Nonetheless, he admitted, there were plans to form a paramilitary force called Delta Force, which was going to be at the service of a financial group from Guayaquil.

The drug lord and the 65 members of his band are confined in Pavillion A of the Garcia Moreno Penitentiary, which is considered a top security prison and where they are allowed outside for four hours daily.

## Paraguay

### Further on Debate on Authenticity of Constitution

#### Paciello Minimizes Criticism

*PY0408152092 Asuncion HOY in Spanish*
*4 Aug 92 p 3*

[Text] During an interview granted to HOY on 3 August, Colorado Party conventioneer Oscar Paciello completely downplayed the situation created by the charges made against the sanctioning of the new Constitution. Paciello said: "What happened is that all the corrections included in the records were not added to the approved version because of mistakes in the copy. This is the reason why a list of erratas was prepared. The text was not polished because of haste. That is all. There is no problem, and this should not turn into tempest in a teacup."

Paciello said: "Any typist can make a mistake in a copy at any time. You know that on many occasions materials stick in the computer, but this has nothing to do with it because the records were rigorously drafted, read, and approved. Consequently, there is no problem with the text whatsoever."

Asked about his remarks in Coronel Oviedo, Paciello replied after a pause: "There is no reason for concern whatsoever, and one should not cause a tempest in a teacup. I do not know where this problem originated."

He said: "I repeat, the text of the Constitution is the one included in the records of the National Constituent Assembly, and not the copies that are circulating elsewhere. All these copies have mistakes. Because of the haste, the corrections made by the Constituent Assembly have not been included so far. That is all."

#### PLRA's Barboza Comments

*PY0508154492 Asuncion HOY in Spanish*
*5 Aug 92 p 8*

[By Antonio San Nicolas A.]

[Text] Ramiro Barboza, a Constituent Assembly member from the Authentic Radical Liberal Party [PLRA], yesterday told our morning newspaper that the Catholic University's Interdisciplinary Social Law and Economics Center [Centro Interdisciplinario de Derecho Social y Economia Politica] (CIDSEP) worked for the National Constituent Assembly "free of charge," to help, with 11 computers donated by the U.S. Embassy in Paraguay and that "nothing wrong was done."

Barboza added that he was mentioned by [Colorado Party Constituent Assembly member] Dr. Oscar Paciello during a panel last week in Coronel Oviedo. On that occasion, Paciello said the final constitutional text approved by the National Constituent Assembly plenary during the last day of sessions had vanished from the computers operated by the aforementioned PLRA Constituent Assembly member while he was working on the corrections. Paciello noted: "I do not know what he did. All of a sudden, the entire file vanished from his computer, and the text that existed before its final review by the plenary was submitted to Congress" to be sworn on 22 June.

Ramiro Barboza agreed to an interview with HOY and emphasized that all the CIDSEP work was done free of charge. "I worked gratis," he said.

Barboza said the U.S. Embassy gave the 11 computers to the CIDSEP and not directly to the National Constituent Assembly because someone, some organization, had to render monthly accounts and the National Constituent Assembly was not able to do this. Therefore, they [not further identified] [usually] pick a company that will operate the equipment and they picked us. These computers—most of them—now will be delivered to Congress," Ramiro Barboza indicated. [No opening quotation mark as published]

[San Nicolas] Why did the CIDSEP, and not the officially contracted company, begin operating?

[Barboza] They [not further identified] became engaged in carrying the record of sessions, that is, every time someone spoke, it was recorded and transcribed. This is a lot of work and it takes a long time. We offered a assistance to Constituent Assembly members. Do you understand?

[San Nicolas] Was the printing work of the final (constitutional text) given to you?

[Barboza] Well, no. This is not so. One is given something. We actually had computers with a good printer. Therefore, the diskette that was being used by the official sector was brought and our equipment was used to print.

This, however, was done in a public place and those who handled all this were the secretary, Mr. Martinez, and the official correctors. The style committee members, Dr. Ayala and Dr. Laterza, were present. All of them were working on that. I did not do anything. I went to a wedding. Do you understand?

[San Nicolas] Did the final constitutional text vanish from your computers, as mentioned?

[Barboza] No, no, no. We were making corrections and at about 1700 the equipment failed, that is, it did not work any more. These things happen. The material got lost. The equipment failed and the text that we were correcting went that far. Therefore, we took the other text that was identical, re-entered it, and continued correcting the accents and the commas. This is what was done. Do you understand? We actually did all this very quickly because it had to be done. Work was completed at 2300.

[San Nicolas] Why were you unable to deliver a totally corrected text?

[Barboza] Well, because it was a Sunday [21 June]; it was a Sunday. And the president had to swear [the new constitution] on Monday. We swore [the new constitution] on Saturday. On Sunday, no one worked. No text was printed for submittal to Congress. Photocopies were made in Congress and they were released.

[San Nicolas] Dr. Paciello said Ramiro Barboza was operating the computers...

[Barboza] He was not present. Let us begin with this. I repeat to you. We were correcting the text. In fact, Mr. Perez Pena, secretary Martinez, a lady, and a young lady were officially correcting it. While about half of the work was being completed, the equipment failed. It did not work because it was overloaded. Thus, we left that and picked up and processed the same material that we already had because we had 10 copies. The truth is that the text was not corrected very well. The other text that was erased was going to come out the same. Do you understand? I was not there at 2300. I was not there because I had nothing to do. In fact, the operator was printing and I had a wedding. Thus, I went to the wedding. Therefore, I was not physically there. I did not do anything. It was our team because we had a team. All of us worked together. No issue was raised.

## Congress To Investigate

*PY0508150692 Asuncion HOY in Spanish*
*5 Aug 92 p 8*

[Text] It was leaked yesterday that "there is concern" among government and congressional sources because of the charges that have been pressed in connection with the handling of the text of the Constitution by National Constituent Assembly authorities. The text, which was approved by the 198 assembly members at the closing session on 20 June, was sworn by the presidents of the three branches of government. Senate President Gustavo Diaz de Vivar rather surprisingly summoned Congress today at 1500 [1900 GMT] for a comprehensive debate on the situation.

As HOY reported yesterday, Colorado Party bloc leader Oscar Paciello last week disclosed in Coronel Oviedo that the text that was sworn was not the final text approved by the Assembly on 17 June, the last day of deliberations. This situation occurred because the material reportedly disappeared from the computers of an organization that was not officially contracted. It has been learned that this situation has caused deep dissatisfaction within the government. Congressional sources yesterday even said that the National Constituent Assembly was "irresponsibly" managed and that Congress was summoned to "debate" the subject.

Late yesterday afternoon, Diaz de Vivar decided to summon Congress for today at 1500. In its whereas clause, the resolution that summons Congress states that "on 22 June 1992," "the final document" and the "complete" text (the quotation marks appear in Diaz de Vivar's resolution) of the Constitution were delivered to the Senate president, who is Congress' president.

The resolution states that "on 20 July 1992, the Senate president, in his capacity as President of Congress, received "the errata of the text of the Constitution." [quotation marks as published]

The resolution adds that Congress is being summoned "to hear the president's report on the documents that the National Constituent Assembly placed under the legislative branch's custody, and to adopt the decisions deemed necessary."

## 'Tight' Policies Mitigate Economic Crisis

*PY0408222392 Asuncion HOY in Spanish*
*4 Aug 92 p 20*

[Excerpt] Industry and Commerce Minister Ubaldo Scavone has reiterated that the administration has devised a plan to salvage production. This plan, which up to now has been kept secret, is going to be disclosed next week once "we tie down all the loose ends." He admitted that the country is running up against hard times for the economy, arising from the crisis in agriculture, but he warned that had the administration not adopted a tight anti-inflationary monetary, fiscal, and exchange policy, which mitigated the effects of the crisis, "it would have been worse."

Scavone stated: "Our economic indicators are not as bad as they could have been." He added that the bleak outlook for the economy caused by the agricultural crisis could have been harsher but for the fiscal policy of restraint (reduced spending) and the tightening of monetary policy (a tight credit policy to control inflation).

According to Scavone, our economy was able to stand the strain because of the record performance of some macroeconomic variables, especially those pertaining to inflationary control. To this it should be added a considerable success in the balance of payment position (income to expenditure ratio) and the exchange control (dollar exchange has leveled off).

The minister added: "It only remains for us to restructure our strategy." He announced a plan to bolster the economy by reactivating agriculture, retrofitting industry, and diversifying exports. Scavone was asked whether this implied an acknowledgement on the part of the administration that the Paraguayan economy is showing the first signs of recession, and that it would therefore be necessary to ease the monetary policy so as to provide financial support for agriculture.

The industry and commerce minister answered: "The measures will be disclosed at the appropriate time." He did not, therefore, entirely answer the question asked of him. He added: "It has not escaped our notice that we are having problems." [passage omitted]

## Peru

### De La Puente Closes 'National Dialogue' 3 Aug

*PA0408164192 Lima Global de Television Network in Spanish 0100 GMT 4 Aug 92*

[Text] Peru is not afraid of democracy. On the contrary, it loves democracy. Oscar de la Puente Raygada, president of the Council of Ministers, made those statements on the evening of 3 August when he closed the national dialogue for peace and development, which was sponsored by the executive branch. The event was held at Civic Center amphitheater, where the various working commissions presented to Oscar de la Puente their final conclusions after a month of intense debates.

[Begin recording] [Unidentified reporter] The national dialogue for peace and development, sponsored by President Alberto Fujimori's government, concluded on 3 August. At the closing ceremony, representatives of the various commissions presented to the president of the Council of Ministers their proposals for the new constitution, the reorganization of the Judicial Branch, and the political parties law, among other laws. De la Puente Raygada said that a representative of the national dialogue will be invited to participate in the meeting he will hold with the political parties.

[De la Puente] What we wanted to hear and what we have heard tonight is that a new generation of politicians is emerging. No civilized country can live without a balance of powers, because then we would fall into an infernal dictatorship. [applause] That is why—and I repeat what I said at the beginning of my speech—success on 22 November is so important. It is the people who must be represented in the Democratic Constituent Congress. [applause] Your initiatives will be taken into account and the studies will be analyzed. They will not fall on deaf ears, and you will continue participating with those of us who have the responsibility to lead this country so after 22 November we will have the authentic democracy Peru requires. Thank you very much. [applause] [end recording]

### De La Puente on Prospects for 4 Aug Dialogue

*PA0408145892 Lima Global de Television Network in Spanish 0100 GMT 4 Aug 92*

[Text] Oscar de la Puente Raygada, president of the Council of Ministers and foreign minister, stated on 3 August that the dialogue will be held with the political parties that go to his office on 4 August. After deploring the hasty decisions of some political groups not to attend the dialogue, De la Puente said those groups are turning their backs on history.

De la Puente Raygada said the mediation of Javier Perez de Cuellar is not pertinent, although he said the government has no objection to his participation in the dialogue.

[Begin recording] [De la Puente] We are inviting groups to a dialogue for the sake of peace in Peru. We must all do our part. This will be the last chance for those who want to attend. I will receive a response from most of the parties this afternoon, and on 4 August I will make a final effort to convoke them. Otherwise, history will take its course. We will continue to perfect the mechanisms for the Democratic Constituent Congress [CCD], and on 22 November the polls will be at the service of the people.

[Unidentified reporter] Has former Foreign Minister Perez de Cuellar asked to participate in the meeting with the political parties?

[De la Puente] No, the former foreign minister has not been invited yet. He has come to Peru for personal reasons. He has not contacted government officials. He is a world authority, and we must recognize his prestige and relevance in this matter, but so far we have not made any contacts. In reality, mediation is not immediately necessary because we are just beginning the dialogue with the parties.

[Reporter] The political parties fear that what is being discussed in the dialogue will not have any effect on the structuring of the CCD.

[De la Puente] We propose that this dialogue will strengthen the processing mechanism. Just as political parties have political committees that they must heed in order to reach agreements, the president of the Council of Ministers represents a cabinet and a government. Consequently, the agreements will be supported both by the political committees of each group and by the cabinet plenary.

[Reporter] Are the political parties refusing to participate?

[De la Puente] We are working so everyone will be present. Those who are not present will be turning their backs on history, because we are trying to reach an agreement on the mechanism that will allow us to give the people a just election.

[Reporter] Could this be a solution to break [words indistinct].

[De la Puente] Not necessarily, because mediation is not pertinent at this time as the dialogue has not begun. The dialogue is the basis for all of us to reach an agreement.

[Reporter] Will you hold a dialogue with Mr. Perez de Cuellar?

[De la Puente] I have no objection to that. Mr. Perez de Cuellar is a prestigious diplomat with a meritorious background for our country. I would be pleased to do so.

[Reporter] According to press reports, President Fujimori on 2 August traveled to upper Huallaga. Over the weekend the defense minister also was in that zone. What is happening in that part of the country?

[De la Puente] I returned the night of 2 August from an official visit to the United States and have not had

occasion to see the president. I am waiting for him to arrive, and then I will be able to talk to him. [end recording]

### Parties Discuss Statement

*PA0408200192 Lima Global de Television Network in Spanish 0100 GMT 4 Aug 92*

[Text] Everything seems to indicate that the political parties will not attend the dialogue convened by the government. On 3 August, their representatives drew up a draft agreement that will be debated on the morning of 4 August in a new meeting of the political parties. In their 4 August meeting, they will debate the final statement they will take to the office of the president of the Council of Ministers before 1600.

According to Gustavo Mohme, leader of Socialist Political Action, the feeling among the political parties is that they will not attend the dialogue.

[Begin recording] [Unidentified reporter] In view of the government's lack of seriousness in convening the dialogue with the political organizations and its unilateral establishment of rules, the political parties will decide, by signing a document on 4 August, whether they will participate in the dialogue with the government, which has issued the invitation for the meeting at the Torre Tagle Palace. The parties' political commissions are discussing a document on whether they will participate in the dialogue with the government. This document will be signed on 4 August. Gustavo Mohme, what is the position of the parties?

[Mohme] I am right now going into a national leadership committee meeting to evaluate the advisability, in the current circumstances, of participating in the dialogue proposed by the president of the Council of Ministers. On 4 August, we will hold a final meeting in which we will hear the position of all the political organizations, and we will see which ones will decide to sign this document and refrain from participating in the dialogue.

[Reporter] The document reflects the content of the meetings the former legislators have been holding in the last few hours.

This is the multiparty statement: Our desire for a dialogue remains firm, as part of our struggle to reestablish institutional democracy in our country. We are involved in the task of returning to the people the right to exercise their sovereignty and to elect a constituent congress in November. It is essential that a dialogue be held for this purpose, so the parties can commit themselves to the characteristics and system of electing the constituent congress. The sovereignty and full independence of the constituent congress must be guaranteed. Its election system must be clearly democratic and not subject to manipulation by those in power. The dialogue makes practical sense only if it is held with the desire to find commitments to resolve the grave political crisis in the country.

If the government leader utilizes the country's independence celebration in an effort to impose rules and deadlines for establishing the constituent congress and schedules the municipal elections for the following year, there is no longer any agenda for the dialogue, which becomes a sham based on authoritarian and unilateral decisions. As a prior issue to the dialogue, we reiterate our demand that the municipal elections be held concurrently with the elections for the constituent congress, respecting the peoples' right to elect their local governments.

As a last point, the statement adds: The country hopes the government will correct its attitude and, honoring its international commitment, without shams and with full respect for its interlocutors, will facilitate the dialogue for democracy. [end recording]

### De Cuellar Not To Mediate

*PA0408191892 Lima Panamericana Television Network in Spanish 1200 GMT 4 Aug 92*

[Text] Former UN Secretary General Javier Perez de Cuellar has denied that he might participate in mediation between the Peruvian Government and the opposition. Perez de Cuellar said he came to Peru to rest and not to become engaged in political activities. He went on to say that no one has asked for his mediation, and he prefers to remain on the sidelines of all government activities.

[Begin recording] [Perez de Cuellar] I have not come to Lima to become engaged in political activities. I have come here as a Peruvian who has come to his country to visit his family, a Peruvian on personal business. I did not come here to become involved in politics.

[Unidentified reporter] Your personal image, however, as a distinguished citizen of our country could contribute to the solution of some of the problems in our country.

[Perez de Cuellar] Thank you, you are very kind. As I said on 3 August, I am a Peruvian just as you are, but I am simply a voter. I am not a candidate. I am a voter just as anyone of you are. I could say I am not even a voter, because I am too old; I believe the law says anyone over 70 is not required to vote. I would like to take this opportunity to say that one of the newspapers in the country said I am willing to be a mediator. I am not willing to do anything whatsoever. I did not come here with any mission in mind. I came here on personal business. If you ask me my opinion, I could say we have to return to a full democratic system in the shortest time possible. We have to unite to fight the violence that is destroying the country.

[Reporter] As you have seen, the situation in the country is difficult. Not even the country's political parties have been able to reach an understanding with the government, and vice versa. This is where your name emerges as a possible mediator.

[Perez de Cuellar] That is the position of the journalists. I have always had excellent relations with journalists, and that is perhaps why you journalists have appointed me mediator. I am absolutely no mediator. I have held no contacts with anyone except with you journalists.

[Reporter] Would you be willing to be a mediator if asked?

[Perez de Cuellar] A series of conditions should exist before any person can become a mediator. No one can be a mediator without the consent of all the parties involved. [end recording]

### Parties Issue Communique

*PA0508000292 Lima Radio Programas del Peru Network in Spanish 1800 GMT 4 Aug 92*

[Report by Enrique Vidal, including recorded statements by Popular Christian Party Senator Alberto Gorea Oderia; place not given]

[Text] The main political parties that had representatives in parliament will not go to the office of Oscar de la Puente, president of the Council of Ministers, on 4 August.

Popular Christian Party [PPC] Senator Alberto Gorea Oderia, who was elected president of the Senate during the last session of the dissolved congress, read a joint communique from the political forces.

[Begin Gorea recording, in progress] ...by those who collaborate with him, to try to distort a dialogue process in which the parts could freely state their positions and accept the proposals of the other part with an open mind and without insisting that the conclusions necessarily be the same ones he proposed.

In light of this situation, we regret that Mr. Fujimori's government has insisted on manipulating the dialogue and stating the conclusions in his 28 July speech, before listening to the parts.

As long as Fujimori does not retract his statements to show the Peruvian people that he is acting with loyalty for these principles which must prevail in any dialogue, the political parties believe it is their duty to avoid endorsing the dictatorship. [end recording]

[Vidal] Senator Alberto Gorea Oderia read a text signed jointly by the representatives of the majority of the political parties, including the Popular Action, American Popular Revolutionary Alliance, PPC, and the political groups that form the United Left. Senator Enrique Bernales also signed the document in the name of the Socialist Left and Congressman Javier Diaz Canseco signed for the Mariateguist Unified Party.

This was the joint statement from the political parties. We will wait to see what happens later at the office of the president of the Council of Ministers. We do know that the Solidarity and Democracy Movement and other groups that had a minority in congress will participate.

### AP Rejects Participation

*PA0408223592 Lima Radio Programas del Peru Network in Spanish 1800 GMT 4 Aug 92*

[Text] Popular Action [AP] will not participate in a dialogue with the president of the Council of Ministers as long as the decision to hold municipal elections next year prevails, it was stated by Fernando Calmell del Solar, secretary general of the party.

Calmell del Solar said the executive branch has a problem in deciding because, if it wanted to, the municipal elections could be held this year. The AP representative said if violations of the Constitution are not solved now, new violations will occur in the future.

### Fujimori Tours Jungle, Meets Colombian Officers

*PA0408193592 Hamburg DPA in Spanish 1615 GMT 4 Aug 92*

[Text] Lima, 4 Aug (DPA)—Peruvian President Alberto Fujimori met on 3 August with Colombian police and military commanders on the border between the two countries, a local newspaper has reported. This report has yet to be officially confirmed.

Between 1 August and the evening of 3 August, the president paid a visit to the country's northern jungle region, an area associated with problems such as drug trafficking and subversion. However, the details of the tour have remained secret.

According to the Lima newspaper EXPRESO, high-ranking commanders of the Colombian and Peruvian Armies and police agreed, in the presence of Fujimori, to form a "common front" to fight drug trafficking in that Amazon region.

The various towns toured by the president, without prior official announcement, included San Antonio del Estrecho on the border. The meeting with the Colombian representatives reportedly took place at a location near the Colombian city of Leticia and the Peruvian city of Iquitos.

According to available information, Fujimori observed during his unexpected tour the fight against drug trafficking and the dialogue with the coca growers who are experiencing problems with crop substitution.

The visit was apparently not announced beforehand because Fujimori wanted to analyze the situation spontaneously and detect the existence of government corruption that permits the mafia to operate safely in the vast jungle area.

Approximately 350,000 people of the region make their living by cultivating coca. Those who have accepted the offer to substitute other crops are experiencing difficult

financial situations because the alternate products have not given them the promised profits.

The presidential press secretariat has remained silent about the trip, which sparked rumors in the local media.

### 'Subversives' Kill Judge, Seven Others

*PA0308151292 Paris AFP in Spanish 1442 GMT 3 Aug 92*

[Text] Lima, 3 Aug (AFP)—Police reported on 3 August that eight people, including a judge and four policemen, were blown to pieces on 2 August when the vehicle in which they were traveling became the target of an explosive device subversives had placed on a road in Ancash Department (northeastern Peru).

Ernesto Castro, criminal court judge in Carhuaz, Ancash Department, 400 km northeast of Lima, had been notified that a body had been found abandoned near Copa Chica village.

Without considering the danger to himself, the judge decided to do his job and asked for police protection from the Carhuaz police post. He left with his wife, his young son, his secretary, and four policemen, including Lieutenant Cesar Ruiz.

When the vehicle was approaching the village of Ucucha on the slopes of Copa Grande mountain, 5 km east of Carhuaz, the bomb exploded, killing the passengers in the vehicle, peasants who heard the explosion reported.

Preliminary reports indicate the bomb contained 50 kg of dynamite.

## Uruguay

### Lacalle Comments on Ibero-American Summit

*PY0108023892 Montevideo Radio Carve in Spanish 0000 GMT 1 Aug 92*

[Excerpt] President Luis Alberto Lacalle, who held a news conference today, emphasized the importance of the $300 million cooperation agreement signed with Spain.

President Lacalle said that the loan will be used for health and education, and to help reorganize industry. Regarding the result of the Ibero-American Summit in Madrid, President Lacalle pointed out the decision made in relation to the sharing of common knowledge. He announced that the representatives of 100 universities will discuss common knowledge during a meeting in Punta del Este next November.

He also said that more than 1,000 post-graduate scholarships will be granted, and that a satellite to help disseminate educational programs will be used.

Lacalle also pointed out that the summit's position regarding the Uruguay Round affects Portugal and Spain because they are EC members. He reiterated what he said in Spain that if there is no opening of trade there will be a great catastrophy in the world. He added that if there is an opening, the world trade can reach $1 trillion. He reiterated his belief that one of the most important solutions for the future is the elimination of trade barriers. [passage omitted]

### Disagreement in FA Causes 'Triumvirate' To Form

*PY0308221292 Montevideo EL PAIS in Spanish 26 Jul 92 p 19*

[From "The Political Week" column: "A Triumvirate to the Fore"]

[Text] The Broad Front's [FA] candidates in 1989 (Liber Seregni, Mayor Tabare Vazquez, and Senator Danilo Astori) have stated in a communique: "We are concerned about the harshness of some of the disagreements between some sectors of the Broad Front and its leaders, and the fact that they have become public knowledge," and in a joint call urge "all our comrades to in a composed manner take a course of action that will allow us to overcome the obstacles that are blocking our activities (those of the FA)."

This event—something that has never happened before in the history of the coalition, which has since its foundation been attached to its formal organizations—appears to be a measure adopted by the three top men of the FA to put a stop to the notorious ideological deviation, loss of militants, and personal bickering between leftist leaders. In addition to all of this, mutual accusations are being made which are not only of a political nature, but also moral and legal (such as the charge Tupamaro [National Liberation Movement-Tupamaros Faction] has leveled against former Communist Jorge Zabalza regarding an alleged "selling of influence" in Montevideo's Town Hall).

Seregni, who is president of the FA, stated in a news conference that this improvised triumvirate "has no intention of creating a committee nor a power base."

Some observers have indicated that the move of these three persons appears to be a unilateral decision to strengthen the FA as a "movement" which comes above the mechanisms of the coalition. Deputy Francisco Rodriguez Camusso, leader of the Broad Front People's Movement, has asked (undoubtedly expounding the opinion of many people): "Why is it that these three consider only themselves to be charged with looking after the unity of the FA...?"

Above and beyond the meaning and internal consequences of the triumvirate's attitude, its call has demonstrated—and this is acknowledged by its members—that the situation within the FA has reached limits of disagreement and division that are causing deep concern.

## Venezuela

### Demonstrators Protest Transportation Costs

*PA0308224992 Paris AFP in Spanish 2141 GMT 3 Aug 92*

[Text] Los Teques, Venezuela, 3 Aug (AFP)—Dozens of young people marched through the streets in Los Teques, located 25 km south of Caracas, and organized groups which threw rocks and bottles at stores, buses, and police cars, according to reports from journalists at the scene.

The young people were protesting the sudden increase in local transportation fares. Two buses were seized for several hours. The police sent riot units to disperse the groups of protesters but no injuries or arrests were reported.

Two hundred inhabitants of Las Mayas, a neighborhood located southwest of Caracas, protested on 2 August the lack of water in that sector. They also tried to stop traffic to the local racetrack, where the Sunday "Five and Six" event was being celebrated, but the demonstration was dispersed with water trucks—a paradox which the Caracas media reported angrily on 3 August.

Street demonstrations had decreased throughout Venezuela in recent weeks, once the school year ended and vacations started.

### Minister: No New Increases

*PA0408215792 Caracas Venezolana de Television Network in Spanish 1600 GMT 4 Aug 92*

[Text] Transportation and Communications Minister Fernando Martinez Mottola has reiterated that the Executive Branch will not allow new increases in transportation fares above those already established.

[Begin Martinez recording] From the standpoint of popularity, the easiest and most beneficial thing for the government would have been to maintain artificially frozen urban and suburban transportation fares. But this would have been very irresponsible. Such a demagogic attitude of maintaining the prices of services artificially low prevents efficiency in services and discourages investments to expand and modernize these services. [end recording]

### Police Investigate Attack by Colombian Guerrillas

*PA0408161892 Caracas Venezolana de Television Network in Spanish 0000 GMT 4 Aug 92*

[Text] The Judicial Technical Police, PTJ, has determined that Colombian guerrillas perpetrated a dynamite attack in which four Venezuelan policemen were killed.

National authorities are working closely with the Colombian police in an effort to locate rebels who have been operating near the border for several years. Investigations are also being conducted to determine the type of explosive used in the attack that killed the policemen. Experts from the Criminology Division have been dispatched from Caracas to accelerate the process. PTJ Director Mauro Yanez Pasarella reported that during a search, PTJ agents found the cables used to activate the bomb that killed Corporals Carlos Alberto Rangel Cermeno and Juvenal Torres Diaz and agents Hermes Ramiro Gonzalez and Herbert Salas Sanchez.

[Begin Yanez recording] This attack is similar to a previous one carried out against five members of the National Guard. Therefore, we assume it was perpetrated by the same guerrilla group that was responsible for the earlier attack. [end recording]

PTJ agents are also combing the area where a group of Colombian guerrillas kidnapped cattleman Luis Enrique Mora Mora.

### Ministers Confirm Joint Operations With Colombia

*PA0508040292 Caracas Venezolana de Television Network in Spanish 0000 GMT 5 Aug 92*

[Report by Zayda Pereira]

[Text] The participation of the Colombian Army of National Liberation [ELN] and the Camilist Union-ELN [UC-ELN] in the attack on police forces in Apure was confirmed on 4 August. The information was revealed by Defense Minister Ivan Dario Jimenez Sanchez. The defense minister will ask the Colombian Armed Forces to increase actions along the border.

The defense minister said what occurred was premeditated murder because the perpetrators even identified themselves after the action by painting signs on the bodies. The defense minister said Task Group 1.1 was sent to the area to strengthen security in the zone along the Colombian border. He will also meet with his Colombian counterpart on 6 August.

The defense minister also denied the problem is related to the apprehension of 15 guerrilla fighters in Yaruro port.

[Begin Jimenez Sanchez recording] The report about the apprehension of 15 Colombian guerrilla fighters at Yaruro port is not true. The zone is being combed and some suspects have been arrested in the course of investigations. They have been asked if they know about the case, but no one has been arrested so far. [sentence as heard] That report is not true. [end recording]

Moreover, Interior Minister Luis Pinerua Ordaz, who also went to the Apure zone where four police officers were massacred on 31 July, said the action should not be repeated.

[Begin Pinerua recording] The case is being thoroughly investigated to ascertain what caused the action. We have the Colombian Government's cooperation on this because it is obviously much more interested than we are in ending the depredation caused by guerrilla groups in that country. [end recording]

Referring to the controversy caused by the agreements signed between Venezuela and other countries on the exploitation of oil wells in the Orinoco area, the defense minister said the Armed Forces agree with it if it benefits the country.

### President Greets National Guard on Anniversary

*PA0508033892 Caracas Venezolana de Television Network in Spanish 2022 GMT 4 Aug 92*

["Greetings message" issued by President Carlos Andres Perez on 4 August, read by unidentified announcer during events commemorating the 55th anniversary of the founding of the National Guard at the Military Academy of Venezuela in Caracas—live]

[Text] Division General Jose Francisco Rendon Reyes, commander of the Armed Forces of Cooperation [FAC] of Venezuela:

I address, through you, the FAC military and civilian personnel, to express the joy of the nation on another anniversary of the National Guard. Since its creation, the National Guard has been closely related to the daily lives of Venezuelans. Its multiple activities have allowed it to have this broad relationship with the citizens, both in the remote border areas as well as in the very heart of the urban area. The National Guard has been deployed throughout the country. This has permitted it not only to have special ties with the Venezuelan people, but has committed it to the security and welfare of the Venezuelan people in their common and everyday life.

Along with the increasing duties that the National Guard has assumed throughout its history, the complexity of modern society has placed it in an eminent struggle against drug trafficking and drug consumption. The fight against this crime, the most abominable in our time, requires special provisions, because it involves an oppressive form of contemporary crime that causes all countries of the world to mobilize immense amounts of money. The National Guard shield portrays its lofty ethical and patriotic value in countering the economic power of the world of drugs. We cannot disregard the temptation of money. Fortunately, Venezuela has strongly countered any diversionary attempts and its leaders will not let down their guard to investigate and remove whoever may succumb to bribes.

The National Guard, as well as the entire Armed Forces, played a decisive role in defending democracy recently. Just as in 1958, the National Guard accompanied the people in conquering the system of liberties, a fews months ago it successfully tested its democratic resolve. Venezuela is a country that is experiencing a broad and formidable change, never witnessed in this century. I have said so many times: What is happening in the country is that the changes are becoming more profound and inevitably generate unrest and problems for a large part of the Venezuelan people. We are the first to recognize the anguish caused by this situation. The only solution, however, is to struggle so that the reforms are accelerated, to struggle so that the resistance will be less, and to struggle so that the measures of today will translate into collective benefits for the immediate future.

I reiterate the nation's admiration and respect for the National Guard. I congratulate its members for their courageous commitment to democracy and institutional respect. Above all, I wish to exalt their high grade of efficiency in the unnegated and increasing tasks of protecting the lives of citizens at the borders, the cities, and the countryside. I ask that you convey to all the members of the institution my words of recognition. Yours truly, Carlos Andres Perez

### Leader Says MBR Could Take Up Arms 'Again'

*PA0508011592 Paris AFP in Spanish 2052 GMT 4 Aug 92*

[Text] Caracas, 4 Aug (AFP)—Lieutenant Colonel Hugo Chavez, the detained leader of the soldiers who rebelled six months ago, during a radio program on 4 August said his movement will again take up arms if there are no drastic changes in the country's political leadership.

Chavez and 50 other officers, who established the Bolivarian Revolutionary Movement (MBR), a clandestine group within the Army, will be tried for plotting to topple President Carlos Andres Perez on 4 February.

"The constitutional amendments being debated in congress are a setback. Congress is increasingly moving away from the social aspects of the [word indistinct] and are as illegitimate as the executive and judicial branches," Commander Chavez said.

The rebel leader pointed out that, by contrast, the February coup attempt "sought to break the domination scheme" and added the MBR had planned to establish a civic-military transition government to implement an economic emergency program and call elections for a constituent assembly.

"The goal was to establish the bases of a profound transformation process in the juridical-political and social-economic areas," said the former paratrooper commander.

Given that the MBR promoted the idea of a constituent assembly, Chavez on 4 August said "we still have a final proposal: Call on the country's will and people's sovereignty to attain the needed agreements."

"Should that fail, nothing will stop us from taking up the arms of the Republic again. The Bolivarian Army has grown and become stronger," Commander Chavez said.

His message, which was aired by a popular radio station with a wide audience six months after the coup attempt, coincided with the publication of a poll conducted at the Caracas Metro in mid-June by the Mercaondeos Company showing that Chavez is the most popular prospective presidential candidate among Caracas residents.

The poll of 330 people, 91 percent of whom are elegible to vote, asked citizens to choose between Chavez and former Christian Democratic President Rafael Caldera, who is considered to be the number one prospective civilian presidential candidate, according to every poll.

Of those polled, 38.5 percent chose Chavez, 28.5 percent Caldera, and 33 percent chose neither.

When asked to choose between Chavez and Claudio Fermin, the Social Democratic mayor of Caracas, 52.7 percent said they would vote for the officer, 13.3 percent for Fermin, and 33.9 percent for neither.

Between the commander and Luis Pinerua, the Social Democratic Interior minister, 50.9 percent would vote for Chavez, 10.9 percent for the minister, and 38.2 percent for neither.

Between Chavez and Eduardo Fernandez, leader of the main opposition Social Christian Party, 50.6 percent said they would vote for the rebel soldier, 11.5 percent for Fernandez, and 37.9 for neither.

In general terms, only the octogenarian writer Arturo Uslar Pietri, who is viewed as a sort of "moral conscience" of the country, inspires greater trust among those polled than Chavez, according to those polled.

When asked to rate these figures on a scale of one to 10, those polled by Mercasondeos Company gave 6.57 points to Uslar, 6.42 to Chavez, 5.08 to Caldera, 3.62 to Attorney General Ramon Escovar Salom, 3.40 to Claudio Fermin, and 3.23 to retired General Fernando Ochoa Antich, the former defense minister and current foreign minister. President Perez placed ninth with 1.67 points.